



Decision Information Resources, Inc.

Youth Opportunity Grant Initiative: Impact and Synthesis Report

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Dan Ryan
Employment and Training Administration
The United States Department of Labor
200 Constitution Ave, NW
Room N-5641
Washington, D.C. 20210

Submitted by:

Decision Information Resources, Inc.
2600 Southwest Freeway, Suite 900
Houston, TX 77098

Authors:

Russell H. Jackson, Project Director
R. Malené Dixon
Ann McCoy
Carol Pistorino
Paul Zador
Cynthia Thomas
John Lopdell
Juanita Lucas-McLean
Frank Bennici
Andy Sum
Neeta Fogg
Ron D'Amico
Andrew Weigand
Lee Bruno



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Project Director

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Executive Summary

In 2000, the U.S. Department of Labor (DOL) contracted with Decision Information Resources, Inc. (DIR) to conduct a comprehensive evaluation of the Youth Opportunity (YO) Grant Initiative. DIR was assisted in this effort by its subcontractors, Westat, Social Policy Research Associates, Lee Bruno & Associates, and the Center for Labor Market Studies at Northeastern University.

This report presents the results of the impact analysis conducted as part of the evaluation of the YO Grant Initiative, which provided comprehensive services to at-risk youths in 36 urban, rural, and Native American reservation communities. The evaluation included an *area survey* of local youths to measure labor-market outcomes in YO grant sites; an *ethnographic study* to assess community well-being before and after delivery of YO grant services; a *management information system (MIS) report*, which analyzed detailed reports from each project over the 5-year period; and a *process analysis* to document how programs were designed and implemented to meet the employment, training, and educational needs of area youths. Results have been presented in a series of reports between 2002 and 2006.

This impact report describes the outcomes and impacts of the YO projects on program participants and the YO communities. It compares youths living in the YO communities to two non-YO comparison groups:

- a group of census tracts that, through propensity selection, were deemed to be suitable matches for the non-Native American YO sites
- the Current Population Survey's high-poverty central-city neighborhoods (compared to urban YO sites)

At the end of this report, we synthesize and integrate relevant findings from the other phases of the YO evaluation to interpret findings for the outcomes and impacts described here.

Program Overview

The Workforce Investment Act provided specific legislative authority for YO grants under Section 169 of the Act and earmarked \$250 million for this purpose. The expanded funding and specific legislative authority signaled DOL's intent, in a period of generally low unemployment, to target youth programming in specific communities where high levels of joblessness and poverty persist, particularly among out-of-school youths.

The YO Grant Initiative consisted of large and complex projects that provided comprehensive services to economically disadvantaged youths, ages 14 to 21, residing in high-poverty communities in urban, rural, and Native American reservation communities throughout the United States, including Hawaii and Alaska. The projects were intended to build the foundation for community-wide efforts to mobilize resources in helping youths to enter the economic mainstream. The projects were funded from 2000 through at least 2005 and were charged with serving both in-school youths (ISY) and out-of-school youths (OSY) by using a model of program services with the following features:

-
- **Geographic Saturation.** Rather than spreading available resources across the entire country, the YO program was intended to concentrate a large amount of resources in selected communities. Unlike other DOL youth programs, the YO grants were open to all youths residing in the designated target area, avoiding the stigma associated with income-based programs. The YO program was intended to reach out to as many youths in the targeted high-poverty areas as possible. By making all resident youths eligible and saturating a high-poverty area with staff-intensive and comprehensive services, the program was expected to positively affect peer pressure, impact the larger community, and create a positive environment for promoting youth development.
 - **Youth Opportunity Community Centers.** Under the YO program, each grantee was required to establish in the target area one or more Youth Opportunity Community Centers to provide a safe and accessible place for youths to meet. These centers were to be staffed with youth-development specialists and offer a core set of services.
 - **Youth Development Framework.** YO programs were expected to provide supportive services (including mentoring, support groups, and follow-up services) and services that develop the potential of youths as citizens and leaders (such as community service, sports and recreation, and life skills training) as a means for achieving employment and educational outcomes. Emphasis was placed on staff-intensive individualized services in which youth-development specialists or case managers would play a key role.
 - **Long-Term Engagement.** With the increased recognition that youths need to be “engaged” over a long period of time to receive meaningful benefits, no participant in the YO program was considered to be an “exiter.” Youths were encouraged to maintain contact and seek assistance, even when they had completed their service plan.
 - **Partnerships and Leveraging.** The YO program strongly emphasized that the grantee—the Workforce Investment Board (WIB) in most cases—establish partnerships with public, private, and nonprofit organizations and leverage resources that would enable the services to continue, even after YO funds cease. These partnerships should enable programs to serve youths in a variety of ways and provide a broad range of services.

The evaluation was funded just at the time that the grant awards were being made; it had multifaceted objectives:

- Measure the impact of the program on employment, educational enrollment and attainment, graduation rates, wages, welfare enrollment, and youth involvement in crime in the target areas.
- Document and assess the effectiveness of the delivery of YO-funded services and leveraged services in the target areas.
- Assess the target areas’ sense of well-being before and after receipt of program services.

The *Impact and Synthesis Report* supports these objectives by comparing how YO communities fared on a series of employment and education-related measures compared to similar communities that did not receive YO funding.

Methods for the Impact Analysis

To estimate the impacts of YO programs, we compared the actual educational and labor-market outcomes for youths in the target areas to outcomes that would have been expected to occur in the absence of any program intervention. These impacts are traditionally measured by using randomly assigned treatment and control groups or carefully selected comparison groups who do not receive any program services. Because all age-eligible youths in each YO target area were entitled to participate in the program, we could not use a control-group or random-assignment method to estimate program impacts. Instead, we used a quasi-experimental evaluation design with comparison groups to estimate YO program impacts.

This report presents estimates of the impact of YO by examining outcomes for youths from YO areas to outcomes for youths from two alternative non-YO comparison areas:

- **Urban high-poverty census-tracts comparison group** (through propensity matching): The comparison group consisted of 14- to 21-year-old youths in high-poverty central-city census tracts across the entire country.
- **National Current Population Surveys (CPS) high-poverty census tracts in central city neighborhoods**: The comparison group consisted of 16- to 21-year-old youths in census tracts identified as having poverty rates above 20 percent according to the 1990 Census.

Several additional comparison-group approaches were considered but could not be implemented due to limitations in available data.

The primary source of data for measuring changes in educational and employment outcomes for youths in the YO communities was an in-person youth survey conducted by the evaluation team at two points in time—2001 and 2004. Data for the comparison-group analysis was derived from American Community Survey (ACS) data and Current Population Survey (CPS) data collected in census tracts similar to those in the YO service area. Using both comparison approaches, we estimated the impact of YO grants on outcome measures (the “YO effect”) as the difference between the change in comparable YO and non-YO estimates. Findings from the impact analysis were then analyzed in conjunction with results obtained from the other components of the evaluation. Because suitable comparison sites were not available from either the ACS or CPS data sources for the Native American YO sites, those sites are not included in the impact analysis presented in this report.

Impact Findings and Synthesis

The YO Grants Initiative was started in a period during which a national economic recession occurred. The national labor-market boom of the middle to late 1990s came to a sudden halt in early 2001 with a national recession beginning in March of that year.¹ While the recession officially came to an end in November 2001, the national unemployment rate continued to rise

¹ The beginning date of March 2001 and the ending date of November 2001 for the recession of 2001 were established by the National Bureau of Economic Research.

through the early summer of 2003,² and payroll employment did not begin to grow steadily until late summer of that year. The nation's teens and young adults (16- to 24-year-olds) were the most adversely affected by these deteriorating labor-market conditions, with their employment rates falling steadily from 2001 through 2004.³

The ethnographic analysis identified, throughout the period, challenging economic conditions. Residents and leaders believed that the following factors contributed to their communities' economic conditions:

- lack of a core private-sector industry or economic base
- geographic isolation and population loss
- lack of skilled labor
- weak transportation and institutional infrastructure

The design of the YO program was informed by the recognition of the need for community-wide efforts to address the challenging issues that impede the economic and educational progress of YO-area youths and to build on the assets of their communities.

Penetration into the target community, programming and participation levels and patterns, and placement outcomes were important concepts that we examined through data obtained from the YO evaluation. In this challenging economic environment, YO ratcheted up program operations quickly, and during the approximately five years of operations captured by our review of program records, enrollments totaled more than 92,000 participants (almost 80,000 youths participated in the non-Native American sites that are included in the impact analysis reported here). YO grantees made a concerted effort to reach and serve OSY, who have traditionally been very difficult to enroll in workforce programs. As a result, YO grantees enrolled about 52 percent of the eligible OSY in their respective communities. In addition, 26 percent of ISY in the 36 YO communities were enrolled in the YO programs, for an overall participation rate of just less than 34 percent of eligible youths over the 5-year period.

YO enrollees participated in a mix of 15 available youth-development activities, with job-readiness training and life-skills training being the most common. But sports and recreation, short-term unsubsidized employment, internships, community service, and math and reading remediation showed ample participation. Further, most youths participated in multiple services during the course of their tenure in the program (see Table 1 for results for the non-Native American sites). Average hours of participation per participant varied widely across grantees and enrollees with some youths participating at much higher levels of intensity than others.

² The seasonally adjusted monthly unemployment rate for the nation peaked at an average of 6.2% during the June–August period of 2003.

³ For a review of the changing labor-market fate of teens and young adults from 2000–2004 in the nation and central-city high-poverty neighborhoods, see Andrew Sum, Paulo Tobar, Joseph McLaughlin, and Sheila Palma, *Trends in the Employment Status of Teens and Young Adults in the U.S. and in Selected High Poverty Neighborhoods, 2000–2004*, prepared for DIR and the U.S. Department of Labor's Employment and Training Administration, Washington, D.C., 2004.

Table 1. Participation Patterns across 30 YO Sites, Excluding Native American Sites

Pattern and Type of Participation of Enrollees	% of Enrolled Youths Participating*
Education, employment and support services	43
Employment and support	19
Employment only	7
Education and support	7
Support only	6
Education and employment	5
Education only	3

Source: Management Information System data reports for Non-Native American sites.

*Does not add to 100%, because some enrolled youths did not participate in any activities.

About 41 percent of all YO participants received a placement in unsubsidized employment, education, or training (see Table 2). Many others were not placed but were still receiving services at the last point at which we have data. Grantees differed widely in the percent of those they placed among youths who had stopped receiving program services,⁴ ranging from a high of more than 90 percent to 20 to 30 percent at the lower end. But older youths and high-school graduates were more likely to have been placed than younger youths and high-school dropouts. Also, youths who participated for a greater number of hours and participated in more varied service activities were more likely to be placed.

Table 2. Comparison of Education and Employment Gains to Enrollment Levels for 30 YO Sites, Excluding Native American Sites

	OSY	%	ISY	%	Total	%
Enrolled	40,535		39,243		79,778	
Achieved HS diploma	2,391	5.9%	11,224	28.6%	13,615	17.1%
Achieved GED	2,343	5.8%	525	1.3%	2,868	3.6%
College placements	4,760	11.7%	7,609	19.4%	12,369	15.5%
Long-term occupational training placements	4,043	10.0%	2,101	5.4%	6,144	7.7%
Total training and education placements	8,803	21.7%	9,710	24.7%	18,513	23.2%
Job placements	10,935	27.0%	6,519	16.6%	17,454	21.9%
All long-term placements	18,239	45.0%	14,108	36.0%	32,347	40.5%

Source: Management Information System data reports for non-Native American sites.

⁴ Participants were designated as no longer receiving services if they had been placed or dropped out for cause or had received no services in 6 or more months.

DOL’s intention was that YO would make a sufficient difference in the lives of and resources available for the youth participants to affect the broader conditions for youths in the communities where it was implemented. As a result, DOL expected that community-level employment and education outcomes would change.

An analysis of BLS data for all U.S. central cities indicated that most faced substantially declining circumstances between 2001 and 2004. In sites where YO operated, we found that most employment outcomes changed negatively. We also found that educational outcomes did not change much for ISY, but a few educational outcomes changed positively for OSY. But when compared to youths in similar sites where YO did not operate, youths in YO sites appeared to have fared considerably better on a number of dimensions. So YO’s impact was more appropriately measured by examining it in comparison to youth in similar circumstances. We used several comparison-group methods to accomplish that purpose.

We found that, when compared to youths living in non-YO census tracts, the youths in the YO target areas had several positive employment and education-related outcomes—overall and for specific subgroups. We also found a few negative outcomes for certain subgroups of youths in the YO target areas, compared to youths in non-YO census tracts. We describe this impact on outcomes as the “YO effect.” Although the two comparison-group approaches identified different significant impacts (or YO effects), in only one instance did we find significant changes in opposite directions across the two approaches (that is, one method indicated a significantly positive YO effect on females’ employment rate while the other method indicated a significantly negative one).

We found the following YO effects on employment to be significant:

- YO increased the labor-force participation rate overall and specifically for the younger age range (16- to 19-year-olds), women, native-born residents, Blacks, and ISY. The YO effect was also positive in increasing the employment rate among Blacks, 16- to 19-year-olds, OSY, and native-born youths. YO also had a positive effect on the hourly wages of women and teens (16- to 19-year olds).⁵
- On the other hand, YO reduced full-time employment among employed youths overall and for various subgroups including ISY and OSY, 20- to 21-year-olds, women, whites, and native-born residents. YO decreased the full-time employment rate for ISY. YO also reduced the employment rate of Hispanics while increasing their unemployment rate and that of older youths.

In summary, employment impacts were positive for most groups, especially younger youths, Blacks, and native-born youths. Negative employment impacts were more prevalent among white youths, whose labor force participation, employment rate, and full-time employment declined. ISY experienced a decline in their full-time employment rate, and those who were employed experienced a decline in full-time employment. Females experienced increases in labor force participation and hourly wage but a decline in their full-time employment. The

⁵ We found a positive YO effect on the employment rate of women by using the CPS high-poverty central city comparison group approach; however, we found a negative YO effect on female employment rate when we used the propensity method and used the high-poverty census tract group for comparison. This was the one case where significant YO effects went in opposite directions based on the comparison group used.

female employment rate impact went in opposite directions according to the comparison group approach used. Most groups experienced a decline in full-time employment among those who were employed. However, whether a decline in full-time employment is positive or negative must be considered in conjunction with any corresponding change in educational participation by the group that experienced a reduction in full-time employment.

Significant (especially positive) YO effects on education-related outcomes were identified for a number of subgroups:

- YO had a positive impact overall on increasing the percentage of the youth population with at least an eleventh-grade education, reducing the percentage of youths who were not in school and increasing the percentage in secondary school.
- For several subgroups, the YO effect on educational outcomes was primarily positive: YO decreased the number of 16- to 18-year-olds not in school and increased the percentage of 19-year-olds who were in secondary school. YO significantly increased the percentage of Hispanics enrolled in secondary school and decreased the percentage of Hispanic high-school graduates not in college. YO had a positive effect on school enrollment for foreign-born youths and on reducing high-school dropouts and increasing postsecondary enrollment among that group.
- YO also appeared to have had a significantly positive effect on reducing the number of out-of-school and out of work (disconnected) youths overall and for males and females, 20- to 21-year-olds, Blacks and Hispanics, and native-born and foreign-born youths.
- The only negative education-related YO effect was that it decreased the percentage of 16- to 18-year-olds and Hispanics who were high-school graduates in college. This result for Hispanics is somewhat puzzling because we also found that YO decreased the percentage of Hispanic high-school graduates who were not in college.

We recognize that the significant impacts identified through this analysis must be interpreted cautiously, given certain limitations of the analysis and, more importantly, several notable weaknesses of the approach we had to use. We have identified impacts on the basis of findings from two different comparison-group methods, each using a somewhat different pool of YO sites. On one hand, these two methods may be seen as a possible strength for our approach because we have a “second opinion” of findings. However, a weakness of this approach was that different data sources were used for the treatment and comparison groups within each approach. Also, the comparison groups and treatment groups were derived from different labor markets. These aspects of the methods employed here suggest that interpretation and use of these findings should be done with caution. However, despite the limitations and inherent weaknesses of the methods used, YO appears to have made a positive difference, especially in several educational outcomes, for youths in many YO communities, and in different ways for specific YO target areas.

Further, because the survey data and the ACS and CPS data that were used for the impact analyses captured the characteristics of the entire community of youths and because youths that did *not* participate in the program were included in the analyses as well as those that did, the effects of YO may be diluted. Also, the data for the follow-up period for both the YO and

comparison communities reflected cross-sectional data and not a longitudinal follow-up of the original sample. Thus, these data include an unknown proportion of youths who moved into the communities some time after the baseline measurement. We know, specifically from the ethnographic study conducted in the YO target areas, that there were a substantial number of newcomers in many areas. Also, other households, some of whom may have had positive experiences in YO before their departure, moved out of some YO communities. The mobility in these communities could have impacted findings of a YO effect in unknown ways.

Regardless of the impact analysis findings, adults and youths in the YO communities, in interviews conducted as part of the ethnographic and process study, attributed the program with providing

- a safe space for young people
- quality youth and adult relationships
- enhanced training and education services
- opportunities to be productive

Although YO was described as not increasing the employment opportunities in most sites, the contributions the program made to these under-resourced communities did not go unnoticed by community residents and may have been important in changing the life trajectory of substantial numbers of youths in many of those communities.

The YO grant and evaluation experience has implications for future programming and research. The findings suggest that positive community-level impacts may indeed be achievable for segments of communities such as those served by YO, especially with regard to educational outcomes that other research has shown to be important for future long-term employment success. However, the exact way in which these outcomes were achieved through the work of YO grants is still not fully understood, because, based on analysis of MIS data from the YO grantees, the levels of penetration into the eligible youth population, intensity of youth participation, or even placement rates of the YO program itself do not appear to be directly correlated with community outcomes.

Alternatively—perhaps through YO’s role in establishing community partnerships that focused on serving youths or in heightening community awareness about youth development and competencies—the YO program, working with other institutions, made a positive difference. YO’s presence in school settings, with Workforce Investment organizations, and with other education and training providers in the communities may have helped to change those settings in ways that increased their accessibility and success in engaging youths, especially subgroups who were relatively more disconnected (for example, Blacks and younger age groups in employment settings and Hispanics and foreign-born youths in educational settings).

Chapter 1. Introduction

This chapter provides information on the evaluation of the Youth Opportunity (YO) Grant Initiative, its history and purpose, its funding, and key elements of the YO approach.

Evaluation of the YO Grant Initiative

In 2000, DOL contracted with Decision Information Resources, Inc. (DIR) to conduct this comprehensive evaluation of the YO Grant Initiative. DIR was assisted in this effort by its subcontractors, Westat, Social Policy Research Associates, Lee Bruno & Associates, and the Center for Labor Market Studies at Northeastern University. Four of these organizations had participated in the evaluation of the YOA demonstration grants and brought the benefit of that experience to the evaluation of the YO Grant Initiative.

The YO program specified a set of objectives for three major outcome domains:

- **Labor market outcomes, including wages and employment** by placing out-of-school neighborhood youths in jobs and, as feasible, in jobs with a potential for advancement, raising the area employment rates for these youths and the quality of their jobs. Specifically, the YO programs were designed to increase:
 - Employment rates for out-of-school youths
 - Earnings of out-of-school youths
 - Youths' retention in employment
 - Youths' opportunities for advancement in employment
- **Human capital outcomes, including educational attainment, school enrollment, and broader measures of training certification** by raising enrollment levels in education and training programs and lowering the incidence of school dropout problems among this age group. Specifically, the programs sought to increase the percentage of youths enrolled in:
 - Education programs to complete their secondary education
 - Four-year colleges
 - Two-year colleges
 - Registered apprenticeship programs
 - Advanced technical training
- **Social outcomes, including crime, out-of-wedlock births, and welfare receipt** by working with youths in these neighborhoods to help them realize the importance of taking responsibility for their own lives. Specifically, positive outcomes would be achieved if there were:
 - Lower birth rate for teens
 - Reduced crime rate among all youths
 - Reduced welfare dependency

DOL specified an evaluation design that the evaluation team then formulated as four interrelated evaluation objectives:

-
- Measure the impact of the program on the employment, educational enrollment and attainment, graduation rates, wages, welfare enrollment, and involvement in crime of youths in the target areas through area household surveys and analysis of comparative data from the decennial census and American Community Surveys.
 - Document and assess the effectiveness of the delivery of YO-funded and leveraged services in the target areas through periodic on-site visits and analysis of program MIS data.
 - Assess the sense of well-being in the target areas before and after receipt of program services through ethnographic studies and the analysis of social-indicator data for the target and comparison areas.
 - Integrate all of these findings into an overall evaluation of the program and make available the quantitative data collected in a public-use database.

DIR has reported the findings from earlier phases of the evaluation in a series of reports to DOL:

- A *process report*, which examines the program strategies that are the heart of the initiative and describes administrative and service-delivery processes of the grantees.⁶ That report describes how well the YO approach was implemented, what was accomplished in terms of human and social capital gains, and the strengths and weaknesses of the YO approach.
- A *management information system (MIS) report*, which analyzes detailed reports from each project over the 5-year period.⁷ Specifically, the MIS report documents how many and what types of youths were served, how they were served, and what outcomes were achieved.
- An *ethnographic report*, which examines the communities served by the 36 projects.⁸ Our goal for the ethnographic study was to obtain a detailed understanding of how residents view the health and well-being of their YO communities along certain dimensions (physical and demographic characteristics, economic opportunity structure, institutional capacity, and social networks) and how those perspectives changed during the course of the YO program.

Each of those reports contains a full explanation of the methods used and presents the findings from the subject component of the evaluation. Those elements will not be repeated here.

This present report describes the outcomes and impacts of the YO projects on program participants and the YO communities. It compares results to two non-YO comparison groups:

- a group of census tracts that, through propensity selection, were deemed to be suitable matches for the YO sites
- the Current Population Survey's high-poverty central-city neighborhoods (compared to urban YO sites)

At the end of this report, we synthesize and integrate relevant findings from the other phases of the YO evaluation as it helps us to interpret findings for the outcomes and impacts described here.

⁶ *Youth Opportunity Grant Initiative: Process Evaluation Final Report*, Decision Information Resources, Inc., 2007.

⁷ *Youth Opportunity Grant Initiative: Management Information System Final Report*, Decision Information Resources, Inc., 2007.

⁸ *Youth Opportunity Grant Initiative: Ethnographic Study Final Report*, Decision Information Resources, Inc., 2007.

Chapter 2 describes the methods used for the comparison groups that were used for the impact analysis. It also describes the methods for designing and conducting the area surveys that provided the data on outcomes for youths in the YO services areas. Chapter 3 describes the larger context of youth employment during the period of comparison analysis, examines changes in employment and education outcomes within the YO target areas over time, and provides findings on the comparative analysis. Chapter 4 presents a synthesis of findings from the survey data in conjunction with the process, ethnographic, and MIS data. Chapter 5 presents conclusions from the overall evaluation.

History and Purpose of the YO Initiative

In 2000, a publication from the Sar Levitan Center for Social Policy Studies summed up the problem facing young people in the U.S. economy at the time:

During the past few decades, the nation's labor markets have been characterized by much turbulence and a series of wrenching demographic and structural changes that have had profound impacts on the labor market experiences of young adults, i.e., those 16 to 24 years of age.⁹

The success of the nation's teens and young adults in the labor market has consistently been highly sensitive to overall national and local labor-market conditions—rising at above average rates during periods of strong job growth and declining unemployment, and declining at above average rates during economic recessions and job recoveries. Further, the probability of youths' labor market and employment success has been shown to rise consistently with increased formal education. Youths with post-high-school education are more likely to hold jobs, and, when they are employed, they are more likely than high school graduates or dropouts to be employed in full-time jobs.¹⁰

In addition to the characteristics and experiences of individual youths themselves, the impacts that neighborhood economic and social conditions have on the education, labor-market, and childbearing behaviors of young adults have been demonstrated through considerable research in the past decade. Ethnographic studies of the daily lives of youths and adults in inner-city high-poverty neighborhoods have shed further light on the relationship between neighborhood conditions and the behavior of the individuals who reside in those neighborhoods.¹¹

The Youth Opportunity Program was authorized by Congress as part of the Workforce Investment Act of 1998 to attempt to address these individual and neighborhood-level barriers to labor-market success of low-income youths. The U.S. Department of Labor (DOL) awarded 5-year YO grants in February 2000 to 36 organizations around the nation to serve youths ages 14–21 who reside in high-poverty communities. Of these 36 grants, 24 were awarded to organizations serving urban areas, 6 to those serving rural areas, and 6 to Native-American

⁹ Andrew Sum, Neeta Fogg, and Garth Magnum, *Confronting the Youth Demographic Challenge: The Labor Market Prospects of Out-of-School Young Adults*, Sar Levitan Center for Social Policy Studies, Johns Hopkins University, Baltimore, 2000.

¹⁰ For detailed findings about the cyclical sensitivity of youth employment, see Andrew Sum, Neeta Fogg, and Garth Magnum, *ibid.*

¹¹ Studies cited in Andrew Sum, et al., *The Kulick Youth Opportunity Area Demonstration for Out-of-School Youth: Early Findings on Youth Labor Market Problems, Program Design, and Program Implementation Issues*, p. 1.

organizations serving tribal areas. Working from an asset-based, youth-development framework, YO grantees were charged with making a comprehensive array of services available to program participants and providing them a long-term and intensive engagement with program activities.

Then Secretary of Labor Alexis Herman emphasized that the grants were intended to be the foundation for community-wide efforts to mobilize resources in helping these youths enter the economic mainstream:

The grants are the foundation of the Youth Opportunity (YO!) Movement to bring together entire communities to focus on helping these young people. . . . I like to think of the YO! Movement as building a circle of support to help young people address the range of problems that have kept them from succeeding.¹²

The grants anticipated a sustained, 5-year effort in each community to provide education, job training, and job placement opportunities to young people who are most at risk of chronic unemployment. It also anticipated that communities would supplement the grant with programs such as Job Corps, School-to-Work, Workforce Investment Act (WIA), Department of Education, and other programs funded at federal, state, and local levels, that were designed to help youths make a successful transition to employment or to postsecondary education or training.

The YO grants built upon the experience of programs similar in design but smaller in scale, such as the Youth Opportunity Area (YOA), Youth Fair Chance, and Kulick demonstration grants. Like their predecessors, the new grantees were expected to follow the Opportunity Area approach of focusing resources on a specific neighborhood or community and enlisting the total community—the residents, schools, businesses, government agencies, community organizations—in that process. Conventional employment and training programs, focusing only on the individual participant, have generally not been successful in transitioning out-of-school, disadvantaged youths into employment and higher-earning positions. From 1987 through 1989, DOL conducted a random-assignment evaluation of Job Training Partnership Act (JTPA) programs and found that, for economically disadvantaged, out-of-school youths, JTPA had no discernible positive effects on labor-market outcomes, although they did improve acquisition rates for high-school diplomas and GEDs. The programs did not significantly increase the participants' earnings or reduce their welfare benefits over the first 30 months following program entry.¹³

Recognizing the multifaceted problems that youths in high-poverty neighborhoods face and the need for a comprehensive, targeted approach to these problems, DOL/ETA launched the Kulick Demonstration for Out-of-School Youth in 1996 with grant awards to the cities of Chicago, Los Angeles, and Houston. In 1997, Kulick demonstration grants were awarded to New York City, Boston, and Kentucky's Cumberland Area Development District. In a third round of Kulick demonstration grants, DOL awarded grants in March 1999 to Baltimore, Detroit, Denver, Oakland, and San Diego. The expectation was that this targeted, comprehensive approach to the problems of out-of-school youths—particularly dropouts—would be more successful than conventional employment and training programs have been. One of the primary benefits of the demonstration grants to many Kulick grantees was that they helped the grantees identify

¹² DOL Press Release, February 21, 2000.

¹³ Larry L. Orr, Howard S. Bloom, et al. *Does Training the Disadvantaged Work?* 1996.

successful strategies in youth-employment programming by characterizing the task of finding jobs for youth as a development process, not as an end result.

During this demonstration grant period, negotiations were under way between the administration and Congress on major changes in employment and training legislation. These negotiations culminated in the Workforce Investment Act (WIA), signed by the President in August 1998, which replaced JTPA. WIA changed the way employment and training programs are delivered, creating a new governance structure consisting of state and local workforce-investment boards, a streamlined one-stop delivery system, and a network of partnerships between WIA and other human-service programs. Changes in the youth area included the consolidation of the previously separate summer and year-round formula-grant programs for disadvantaged youths, minimum funding levels of 30 percent of youth funds for out-of-school youths, and the establishment of youth councils to plan and coordinate youth programs in local areas.

YO's Legislation and Funding

Of direct relevance to this study, WIA provided specific legislative authority for YO grants under Section 169 of the Act and earmarked \$250 million for this purpose. The expanded funding and specific legislative authority signaled DOL's intent, in a period of generally low unemployment, to target youth programming in specific communities where high levels of joblessness and poverty persist, particularly among out-of-school youths.

Like the demonstration projects that preceded them, the YO grants were designed to “increase the long-term employment of youth who live in empowerment zones, enterprise communities, and high-poverty areas and who seek assistance” [WIA Section 169(a)]. Similar to the demonstration grants' emphasis on leveraging resources, the department's vision, as outlined in the Solicitation for Grant Applications (SGA), was to use the YO grant program to build a “youth movement”:

. . . involving partnerships with local education agencies, the private sector, post-secondary institutions, community-based organizations, and foundations.¹⁴

The YO grants for the 24 urban recipients ranged from \$4.5 million to \$11 million for the first year of implementation. The first-year grants for the 6 rural sites ranged from \$2.2 million to \$5 million, and first-year grants for the 6 Native American sites ranged from \$784,000 to \$10 million. Each grantee then received funding for 4 subsequent years according to a decreasing schedule. See Table 1–1 for the complete list of funded sites and their total funding levels over five years.

Key Elements of the YO Grant Approach

The YO Grant Initiative consisted of large and complex projects that provided comprehensive services to economically disadvantaged youths, ages 14 to 21, residing in selected high-poverty communities throughout the United States, including Hawaii and Alaska. The projects were intended to build the foundation for community-wide efforts to mobilize resources in helping youths to enter the economic mainstream. The projects were funded from 2000 through at least

¹⁴ *Federal Register*, June 2, 1999, p. 29674.

2005 and were charged with serving both in-school youths (ISY) and out-of-school youths (OSY) by using a model of program services with the following features:

- **Geographic Saturation.** Rather than spreading available resources across the entire country, the YO program was intended to concentrate a large amount of resources in selected communities. Unlike other DOL youth programs, the YO grants were open to all youths residing in the designated target area, avoiding the stigma associated with income-based programs. The YO program was intended to reach out to as many youths in the targeted high-poverty areas as possible. By making all resident youths eligible and saturating a high-poverty area with staff-intensive and comprehensive services, the program was expected to positively affect peer pressure, impact the larger community, and create a positive environment for promoting youth development.
- **Youth Opportunity Community Centers.** Under the YO program, each grantee was required to establish in the target area one or more Youth Opportunity Community Centers to provide a safe and accessible place for youths to meet. These centers were to be staffed with youth development specialists and offer a core set of services.
- **Youth Development Framework.** YO programs were expected to provide supportive services (including mentoring, support groups, and follow-up services) and services that develop the potential of youths as citizens and leaders (such as community service, sports and recreation, and life skills training as a means for achieving employment and educational outcomes. Emphasis was placed on staff-intensive individualized services in which youth-development specialists or case managers would play a key role.
- **Long-Term Engagement.** With the increased recognition that youths need to be “engaged” over a long period of time to receive meaningful benefits, no participant in the YO program was considered to be an “exiter.” Youths were encouraged to maintain contact and seek assistance, even when they had completed their service plan.
- **Partnerships and Leveraging.** The YO program strongly emphasized that the grantee—the Workforce Investment Board (WIB) in most cases—establish partnerships with public, private, and nonprofit organizations and leverage resources that would enable the services to continue, even after YO funds cease. These partnerships should enable programs to serve youths in a variety of ways and provide a broad range of services.

Table 1–1. YO Grantees—Total 5-year Cumulative Grant Amounts and Enrollments through June 30, 2005

Site	State	5-Year Cumulative Grant (millions)	Out-of-School Youths Enrolled	In-School Youths Enrolled	Total Youths Enrolled through 6/30/05
Urban Sites					
Birmingham/Jefferson County Job Training	AL	\$19.8	1,054	582	1,636
Pima County, Tucson	AZ	\$27.8	1,509	1,404	2,913
City of Los Angeles	CA	\$43.8	2,021	2,391	4,412
San Diego Workforce Partnership	CA	\$27.8	1,813	1,244	3,057
PIC of San Francisco	CA	\$27.8	987	1,414	2,401
City and County of Denver	CO	\$19.8	1,296	1,239	2,535
Capitol Region Workforce Development Board	CT	\$27.8	1,178	1,600	2,778
District of Columbia Department of Employment Services	DC	\$31.8	1,408	961	2,369
Hillsborough County, Tampa	FL	\$23.8	1,097	1,213	2,310
Louisville and Jefferson Counties WIB	KY	\$27.8	1,953	2,466	4,419
Brockton Area PIC	MA	\$17.8	880	964	1,844
Economic Development Industrial Corp., Boston	MA	\$23.8	1,499	2,008	3,507
City of Detroit	MI	\$43.8	2,488	1,679	4,167
Office of Employment Development, Baltimore	MD	\$43.8	3,148	1,209	4,357
Full Employment Council, Inc., Kansas City, Missouri	MO	\$15.9	893	828	1,721
Buffalo & Erie County PIC	NY	\$31.6	1,471	1,521	2,992
Work Systems, Inc. (City of Portland)	OR	\$19.8	1,015	932	1,947
City of Cleveland	OH	\$27.8	1,791	876	2,667
WIB of Philadelphia	PA	\$19.8	909	1,720	2,629
City of Memphis	TN	\$25.8	1,411	2,124	3,535
Houston-Galveston Area Council	TX	\$43.8	1,847	2,338	4,185
Alamo Workforce Development Board (San Antonio Texas)	TX	\$43.8	2,311	1,997	4,308
Seattle - King County PIC	WA	\$17.8	908	536	1,444
PIC of Milwaukee County	WI	\$23.8	1,168	769	1,937
Rural Sites					
Southeastern Arkansas Economic Development (Chicot and Desha Counties)	AR	\$19.8	869	1,322	2,191
Imperial County Office of Employment & Training (Brawley, Calipatria, Niland, and Imperial Counties)	CA	\$19.8	618	527	1,145
Georgia Department of Labor (Albany, Georgia)	GA	\$14.6	917	551	1,468
State of Hawaii (Maui County & Island of Molokai)	HI	\$8.7	297	696	993
PIC / SDA-83 Incorporated, Monroe LA (Enterprise Community covering East Carol and Madison Counties)	LA	\$19.8	1,001	876	1,877
Lumberton River Council (Robeson County)	NC	\$19.8	778	1,256	2,034

Site	State	5-Year Cumulative Grant (millions)	Out-of-School Youths Enrolled	In-School Youths Enrolled	Total Youths Enrolled through 6/30/05
Native American Sites					
Cook Inlet Tribal Council (State of Alaska)	AK	\$31.8	1,191	2,230	3,421
Navajo Nation, Window Rock (Navajo Nation)	AZ, NM, UT	\$41.0	940	3,080	4,020
California Indian Manpower Consortium (Statewide CA, Douglas / Carson, NV)	CA, NV	\$15.9	391	1,005	1,396
Ute Mountain Ute Tribe, Towaoc, CO (Towaoc, Montezuma, CO; Montezuma Creek, San Juan, UT)	CO, UT	\$8.0	101	245	346
Grand Traverse Band of Ottawa & Chippewa (Leelanau County, MI)	MI	\$3.1	29	114	143
Oglala Sioux Tribe, Pine Ridge (Pine Ridge Indian Reservation, SD)	SD	\$15.9	1,184	1,975	3,159

Chapter 2. Methods

This chapter describes the comparison-group methods that were used for the impact analysis presented in this report. First, we present the methods used to construct the two comparison groups used in this impact analysis; Appendix 1 contains more technical details regarding the comparison groups. Then, we present the methods used to conduct the youth survey in the YO sites. The youth survey was the primary source of data for the outcomes of the youths in the YO-serving target areas; Appendix 2 contains more details about the survey methods. Finally, we discuss weighting and design considerations; Appendix 3 presents more technical details.

In addition to describing YO program implementation and assessing the changes in well-being of YO communities, another important objective of this evaluation is to examine the outcomes for youths in the YO areas in comparison to what would have happened in the absence of the grants. To estimate the impacts of YO programs, the actual educational and labor-market outcomes for youths in the target areas were compared to those that would have been expected to occur in the absence of any program intervention. These impacts are traditionally measured by using randomly assigned treatment and control groups or carefully selected comparison groups who do not receive any program services. Because all age-eligible youths in each YO target area were entitled to participate in the program, we could not use a control-group or random-assignment method to estimate program impacts. Instead, we used a quasi-experimental evaluation design with comparison groups to estimate YO program impacts.

We considered and initially pursued the following approaches to identify possible comparison groups for the YO target areas:

- **Within-city matched-comparison census tracts:** The comparison group consisted of 14- to 21-year-old youths in matched neighborhoods (groups of census tracts) in the same communities as the urban YO programs but outside the boundaries of the target area for the urban YO program sites.
- **Within-state matched comparison counties:** The comparison group included 14- to 21-year-old youths in matched counties in the same state as the rural YO programs but outside the county in which the target rural YO program site was operated.
- **Matched enterprise community/empowerment zone (EC/EZ) comparison groups:** The comparison group consisted of 14- to 21-year-old youths in matched EZ/EC communities that did not participate in a YO program.
- **High-poverty census tracts comparison group (through propensity matching):** The comparison group consisted of 14- to 21-year-old youths in high-poverty census tracts across the entire country.
- **National Current Population Surveys (CPS) of high-poverty census tracts in central city areas:** The comparison group consisted of 16- to 21-year-old youths in census tracts identified as having poverty rates above 20 percent according to the 1990 Census.

Considerable resources were expended in defining a set of comparison cities, counties, and EC/EZ communities. The evaluation team requested special tabulations from the U.S. Census Bureau because the data for many of the tabulations and subgroups of interest were not available in the public-use data files. However, we encountered difficulties in using data from the U.S. Census and the American Community Survey (ACS) at a site-specific level for several of the

planned comparison-group analysis methods. The following factors prevented us from obtaining comparable U.S. Census and ACS data for site-specific matching:¹⁵

- U.S. Census Bureau data suppression rules created a lack of comparability between the 2000 Census data and the 2003–2004 ACS data and geographic coverage.
- Inconsistencies occurred in the definition of census tracts that straddle city boundaries between the 2000 U.S. Census data and the ACS data.
- Census tracts with zero sample observations occurred in the ACS data as a result of the reduction in size of the ACS samples due to funding constraints.

We also encountered special difficulties in finding suitable matches for the rural and Native-American YO service areas. Therefore, as a result of these various difficulties, comparison analyses include only urban and rural high-poverty census tracts (propensity matching) and CPS high-poverty census tracts in central-city areas; analyses exclude Native-American sites.

Two Comparison-Group Approaches

The results presented in this report estimated impacts of YO by examining outcomes for youths from YO areas to outcomes for youths from two alternative non-YO comparison groups. This section summarizes each of these methods.

Approach 1. High-Poverty Census Tracts Comparison Groups (Propensity Matching)

This approach uses propensity scoring to estimate the impact of YO programs. In broad terms, propensity scoring was performed as follows:

- We used Census 2000 long-form data to estimate at the tract level the “propensity for having a YO program.” Specifically, we fitted a logistic regression model to tract-level data for estimating the probability of having a YO program, as a function of tract statistics. We retained the following seven variables in the model:
 - tract population
 - home ownership percentage
 - median contract rent
 - percentage of vacant housing units
 - percentage of Whites in the population
 - percentage rural population
 - labor force participation rate
- A large proportion of all census tracts had negligible YO propensity (approximately two-thirds of all tracts). These had to be removed because it was not possible to establish a suitable match with YO tracts for these tracts. After excluding tracts with negligible YO propensity, we grouped the remaining tracts by YO propensity into five strata. Stratum 1 is the group of census tracts with the lowest probability of being a YO tract, while stratum 5 is

¹⁵ Appendix 5 gives a complete explanation of the reasons for the limited ability to use data from the ACS.

the group with the highest probability of being a YO tract. These propensity strata were tested for “balance” to verify that there were no statistically significant differences in the distributions of the seven variables in the model for YO and non-YO tracts within each stratum. The balance condition was satisfied, and it was then possible to measure the YO effect within a propensity stratum by comparing the change in outcomes for YO and non-YO tracts.

Table 2–1 presents the estimated proportions of the YO and ACS populations of young people 14 to 21 years of age in each of the propensity strata for baseline and follow-up years. We derived these proportions from YO survey data and ACS summary estimates provided by the U.S. Census Bureau. Even after removing a large number of census tracts, the remaining ACS tracts are still distributed differently from the YO tracts across the propensity groups, with the YO tracts much more likely to be in the higher propensity groups and the ACS tracts much more likely to be in the lower propensity groups. This distribution indicates that the YO tracts are at the highest end of poverty, even when compared with the least prosperous one-third of all census tracts. Few places in the country have characteristics like the YO communities, which are, essentially the poorest of the poor. This finding highlights the difficulty in establishing a suitable comparison group for the YO sites. It also underlies the value of developing YO and non-YO comparative outcomes by building up from the propensity strata.

Table 2–1. Proportions of YO and ACS Youths in Propensity Strata

Propensity Group	2001		2003–2004	
	YO	ACS	YO	ACS
1	12.1	40.8	10.9	40.7
2	17.0	29.1	15.6	29.7
3	21.4	15.8	21.8	15.4
4	23.7	8.4	23.3	8.4
5	25.8	5.9	28.3	5.8

Once the propensity strata were established with YO and non-YO census tracts assigned to each, the analysis proceeded as follows:

- We estimated statistics for outcome variables within each propensity stratum for YO target areas from baseline and from follow-up YO surveys.
- We estimated statistics for outcome variables in areas with no YO programs within each propensity stratum from the ACS. We used ACS for 2001 to match the baseline YO survey’s time period. We combined ACS estimates for years 2003 and 2004 to match the YO follow-up survey’s time period.
- We estimated change in outcome statistics in YO target areas by differencing the YO-based baseline and follow-up estimates, and in the comparison areas by differencing the ACS-based baseline and follow-up estimates.
- We estimated the impact of YO grants on outcome measures (the ‘YO Effect’) as the difference between the change in comparable YO and non-YO estimates. We calculated YO effect estimates for each propensity stratum. We then combined these estimates to produce

overall estimates of the YO effect and used weights equal to the inverse of the variance for each stratum estimate. This method maximizes the precision of the overall estimate.¹⁶

- We generated design-based variance estimates and confidence intervals for all statistics.
- We calculated outcome and change statistics and YO effect estimates for outcome measures by selected demographic factors: age group, race/ethnicity, and gender. We did not use educational status in this analysis.
- We assessed YO effect estimates for statistically significant differences across propensity strata and by demographic subgroup.

Approach 2. CPS High-Poverty Census Tracts in Central Cities Comparison Group

The group used in this analysis consists of 16- to 21-year-olds living in high-poverty neighborhoods of central cities across the nation from April 2000–March 2001 and from April 2003–March 2004. These high-poverty neighborhoods consist of census tracts with a 20-percent or higher poverty rate at the time of the 1990 Census. The U.S. Census Bureau identifies all households residing in such high-poverty tracts at the time of the monthly CPS household surveys. Approximately 1,250 individuals 16 to 21 years old living in these high-poverty neighborhoods were interviewed each month as part of the regular CPS household survey in 2000–2001 and 2003–2004.¹⁷

Similar to the YO target areas, these high-poverty neighborhoods contained a disproportionate number of Black and Hispanic youths. During the April 2000–March 2001 interviews, approximately 70 percent of the 16- to 21-year-old resident population of the central-city, high-poverty neighborhoods were Black or Hispanic. To generate estimates of program impacts, we used the CPS household survey data and compared changes in a variety of labor-force behaviors, employment and unemployment rates, and school-enrollment behaviors of residents of these high-poverty neighborhoods over the April 2000–March 2004 period to those taking place among YO target area youths over the same time period.

¹⁶ Because of data limitations, we have not attempted to produce national estimates for YO effects. Specifically, because the YO sites were not a sample of the nation's impoverished areas, there was no weighting scheme to generate valid national impact estimates. For this reason, it was decided to test whether YO effect estimates varied by propensity stratum, and whenever they did, we commented on estimates by stratum. In effect, the message then is that YO impacts were found to vary, depending on propensity stratum. Using weights proportional to the relative size of strata would have tilted the estimates towards the low-propensity strata because most of the comparison data had low propensity. We chose inverse variance weights for averaging the YO effect estimates, not because they would provide a better national estimate, but because they provided a summary of the stratum-specific estimates with optimum precision. Another reasonable option would have been to weight the stratum-specific estimates to the YO population. However, since the YO population was not selected to represent all potential target areas of future YO-like programs in the USA, we thought that it was more important to increase the precision of YO effect estimates than to generate an overall estimate for the actual YO population.

¹⁷ The estimated population of 16- to 21-year-olds living in these central-city, high-poverty neighborhoods during the April 2000–March 2001 period was 2.496 million. Given a national CPS sampling ratio of approximately 1 in 2,000 households, approximately 1,248 16 to 21-year-olds should have been interviewed.

Approach Used for Conducting Surveys in the YO Target Areas

This section describes our approach to conducting the household surveys of youths in the YO target areas, including the data-collection methods, the sampling approaches, and the instrument.

The Household Survey of Youths

This section describes the methods used to conduct the household survey of youths and to provide estimates and comparisons of youth employment, school enrollment, graduation rates, wages, welfare enrollment, and idleness rates for the 36 YO grants. These estimates were derived principally from the results of the baseline and one follow-up household survey of sampled youths ages 14–21 who resided in one of the census tracts served by one of 36 grantees included in the evaluation. Of the 36 sites, 6 of the sites were Native American. The methods for conducting the surveys in these sites sometimes differed from those used in the other sites.

The data-collection plan called for completing a total of 600 interviews (300 in-school and 300 out-of-school) with age-eligible youths during each survey period. The baseline survey was conducted in Year 1, and a follow-up survey was conducted during Year 4 of the study.

The baseline survey was conducted between December 2000 and September 2001 with the majority of the interviews completed by July 2001. In most instances, surveys were conducted simultaneously across the 36 sites; however, baseline surveys extended through September 2001 in some sites, including several of the Native-American sites. Most of the Native-American sites experienced delays in start-up because data collection could not begin until negotiations with the local tribal councils were completed and final approvals to conduct the survey were obtained. The follow-up survey took place in 33 YO sites between December 2003 and August 2004 and did not include two Native American sites or the District of Columbia.

DIR and Westat hired and supervised all field staff for the study. Direct supervision of the data collection across the 36 sites was provided by 4 assistant field managers who supervised 36 site supervisors. Each site supervisor managed activities in a specific site, hired and supervised the listers and interviewers during the listing and interviewing phases of the study, and provided the day-to-day case management.

Sampling Design for YO Area Surveys^{18,19}

For the purposes of sampling in-school youths (ISY) and out-of-school youths (OSY), the 36 YO sites were divided into three groups—small, large, and Native-American. Information from the 1990 census was used to classify each YO site. Sites were classified as small if, according to the 1990 census, there were 11,000 or fewer total dwelling units (DUs) and were classified as large when there were more than 11,000 total DUs in the area. Of the 36 YO sites, 8 were classified as small, 22 were classified as large, and 6 were classified as Native American. Sample sizes (completed youth interviews per site) of 300 interviews each from the ISY and OSY populations

¹⁸ Surveys were not conducted in comparison group areas.

¹⁹ Because of their unique sampling requirements and the lack of suitable comparison areas, Native American sites are not included in the impact analysis. Also, because of problems in the sample frame, survey data from the District of Columbia is excluded.

(a total of 600 youth interviews) were determined to be sufficient to detect a change in the employment rates before and after the intervention.²⁰

The DUs in the sites were listed,²¹ a probability sample of DUs was selected in each site, and a random sample of age-eligible youths in the DU sample was interviewed either directly or using a proxy method in which a knowledgeable adult provided responses on the youth's employment and education status. The baseline survey response rate at the DU level was greater than 95 percent, and at the youth level, it was approximately 98 percent.

Sampling of Small YO Sites

In the eight small sites, all DUs were listed and single-stage equal probability samples of DUs were selected. After listing and keying were completed, the frame of DUs for each site was sorted by census block group, blocks within block group, and listing order (that is, we started listing from the Northeast corner to Southwest corner of each site); then we drew an equal probability systematic sample for the base year.

Sampling of Large YO Sites

In the 22 large sites, we used a two-stage procedure to sample DUs. In the first stage, we sampled segments via a probability proportional to size procedure (that is, measure of size was the relative size of the segment in terms of total DUs according to the 1990 Decennial Census). A segment was a census block or grouping of blocks within a census tract. By using a segment instead of a larger unit, such as a tract or a block group, we reduced the size of the listing task. We used an algorithm to combine adjoining blocks with small populations so that the resulting segments had a minimum of 120 DUs in each. The segment sizes varied from site to site. In densely populated urban sites, a segment was typically one or more adjoining census blocks, and in some cases, a fraction of a single block was randomly chosen so that the size of the chosen fraction (or "chunk") had about 120 DUs. The segment sampling rate was set so that 10,000 DUs were expected to be listed in each large site.

After listing and keying, the DU sampling frame was sorted by site, segment (or chunk), blocks within segments, and listing order. Then, the within-segment sampling rate was set in proportion to the inverse of segment-selection probability, resulting in the near equal probability of selection of DUs for each site.

The samples were split into an original release of approximately 2,000 cases and several smaller releases to be used, depending on the number needed to obtain 600 interviews. Whereas, the in-school and out-of-school domain sizes of youths ages 14–21 in YO grant sites were different, differentials within DU sampling rates were used to control the sample size in each domain. For sampling within DUs, we attached one of three randomly assigned, computer-generated sampling message labels to each screening questionnaire to identify whom to interview in the

²⁰ We designed to a minimum power (the ability to statistically detect a change in the employment rates in a site due to the intervention) of 80 percent. The power depends on the minimum deviation to be detected, the statistical test used, and the variance. The variance of the difference between the youth-employment rates in each site before and after intervention is a function of the initial employment rates, the number of completed interviews, and the intraclass correlation. For simplicity, we used the average number of completes (averaged before and after in each site and not across the sites) and ignored the finite population correction.

²¹ Except for two Native American sites.

household: message 1, interview all youths; message 2, interview only out-of-school youths; or message 3, interview only in-school youths. Based on the initial sample yields, the distribution of the message labels was altered in the subsequent sample releases to achieve the interview targets.

Sampling in Households

This section provides an overview of the sampling plan that was used to draw the sample of youths from the sampled households.

Field interviewers were trained to complete the within-household subsampling of youths by using a “message” system, whereby a preprinted “message” was attached to the screening questionnaire. Interviewers used computer-generated sampling patterns that conformed to predesignated sampling rates. The “message” appearing on the screener questionnaire corresponded to a particular sampling pattern. The message was used to indicate to the field interviewer how to subsample youths residing in the household on the basis of the number of youths classified as in-school or out-of-school in the household. Interviewers used a standardized definition to determine whether to classify a youth as ISY or OSY.

After the screening process was completed and the screening sample was designated, the youths were classified into two subdomains, ISY and OSY. The proportions of households to be designated for sampling youths in each domain were r_1 (the proportion of ISY households to be subsampled) and r_2 (the proportion of OSY households to be subsampled). These proportions (r_1 and r_2) were referred to as the household sampling rate. The screening process was used to locate more than enough ISY who were subsampled in all households. The sample was designed to yield the required number of OSY. Subsampling of the OSY was used only when there were more than two OSYs in the household.

The sample was split into three or more waves and fielded. Subsequent sample waves were released to the field on the basis of the yield from the initial samples. Sample sizes provided for the later data-collection waves were adjusted accordingly. Once a sample was released to the field for interviewing, it was completed to avoid biases. During the data-collection period, the senior statistician monitored parameters such as habitation/occupancy rates, response rates, and the number of youths per screened household. We carefully monitored the household eligibility rate (households with any youth) and the number of eligible youths per eligible household.

The project statistician, data-collection managers, and assistant field managers monitored the sample yield weekly, according to information provided by the field supervisors. Decisions about whether to release the remaining wave(s) or a random subsample of new cases were made at the midpoint of the data-collection period.

Follow-up Sample

We used a dual-frame approach to select the sample for the follow-up survey. We contacted a sample of addresses from the baseline-sample listing sheets and screenings from Year 1 (Frame 1), supplemented by nonsampled DUs from Year 1 and newly constructed or newly identified DUs from the updated listing sheets (Frame 2). These two frames were constructed in order to limit the amount of screening conducted and to select over half of the hard-to-find out-of-school youths from Frame 1. Most ISY came from Frame 2. The following summaries give brief descriptions of the two frames:

-
- Frame 1 consisted of all DU addresses of youths 14–18 years of age in Year 1. About 69 percent of these DUs were expected to have eligible youths (that is, at least one 14–21-year-old) if the survey was conducted in Year 4. Many of the DUs that had youths ages 11–13 in Year 1 were expected to have age-eligible youths in Year 4. Thus, the screening rates required to obtain DUs with eligible youths from this frame were relatively low.
 - Frame 2 consisted of lists of nonsampled DUs from the baseline survey and any additional DUs identified during the listing update phase. By selecting DUs from Frame 2, we ensured that all new addresses added to the neighborhood since the baseline (Year 1) were represented in the sample. Frame 2 screening rates were similar to baseline screening rates.

The sample size from Frame 1 was approximately 700 per site, and we expected to sample 1,500 per site from Frame 2, for a total sample size of 2,200. We anticipated obtaining approximately two-thirds of the OSY interviews from Frame 1 and interview the remaining youths from Frame 2. The in-school interviews were allocated in proportion to the estimated size of the youth population in each frame. The DU and youth response rates for Frame 1 were approximately 98 percent and 99 percent, respectively.

A shortfall in the OSY sample resulted in fielding a larger number of DUs from Frame 2. On average 2,221 listed DUs from Frame 2 were fielded, and approximately 1,797 DUs, or 81 percent, were actually occupied. The remainder were determined to be “bad listings” and vacant DUs. DU and youth response rates in Frame 2 were 97 percent and 98 percent, respectively.^{22, 23}

Development of Survey Instrument

The survey instrument for youth households was designed to gather information about employment, educational enrollment and attainment, graduation rates, wages, welfare receipt, and, to some extent, crime among youth residents in the YO areas. The same instrument used during the Youth Opportunity Area Demonstration (YOAD) survey was used to conduct the YO Grants baseline survey. DOL chose to use this instrument because it had been approved by OMB through December 2002. Having this approval facilitated an early start-up of the household survey in 2000. (The baseline survey is included as Appendix 4).

The instrument was based on questions from the Current Population Survey (CPS), which was designed and used to provide official U.S. labor-force statistics. The CPS questions were intended to determine whether a person was currently employed, actively looking for work, temporarily laid off from work, neither working nor looking for work, or unemployed. In addition to questions based on the CPS instrument, the YO instrument contained questions to gather basic demographic information about all respondents. The survey asked youths whether they were enrolled in school. However, because the survey period included summer months, a summer version of the instrument asked about school enrollment for the period prior to summer

²² On average, we completed 140 OSY interviews from Frame 2. On average, we found 359 ISY and interviewed about 119 from Frame 2 DUs.

²³ Overall, we were able to complete, on average, about 302 ISY and about 255 OSY interviews per site. There were no follow-up surveys in three sites—Washington D.C., Cook Inlet in Alaska, and Chinle Agency of the Navajo nation. The Ute Tribe in Colorado was again listed and sampled because it was a tiny site; we were able to find 129 ISY and 93 OSY in Ute.

break. This was done to ensure comparability across months of the interview wave and to consistently identify youths as enrolled or not enrolled in school.

Development of Follow-up Survey Instrument

The follow-up survey instrument was also used to gather information about employment, educational enrollment and attainment, graduation rates, wages, and welfare receipt among youths who resided in the YO areas. Several new questions were added that were not part of the baseline survey. Questions were added to address awareness of and participation in the Youth Opportunity initiative and ask more in-depth questions about the experiences of youths. OMB approval was sought and received for the modified instrument.

The follow-up survey was conducted between December 2003 and August 2004.

Weighting and Poststratification of Survey Data

YO survey data were weighted to accomplish the following objectives:

- To make it possible to produce population estimates for each site
- To compensate for the disproportionate sampling of ISY versus OSY
- To reduce biases due to possible differences between nonrespondents and respondents
- To compensate for possible noncoverage in the sample because of limitations in the sampling frame or for other reasons

The samples were drawn independently in each site, using a multistage probability design. The weighting was also done by site. The process of weighting involved the calculation of base weights (the inverse of the overall probabilities of selection), nonresponse adjustments, and benchmark adjustments (by poststratification). Appendix 3 contains a more detailed explanation of the weighting procedures used for the survey data.

Chapter 3. Findings of the Comparison Analyses

An important goal of this evaluation was to assess changes in employment and education outcomes for youths residing in the YO communities compared to what might have happened in the absence of the YO program. To address questions of YO's relative impact, appropriate comparison geographic areas had to be identified so that outcomes for youths in YO communities could be contrasted with those of youths in similar census tracts in which YO did not operate. Five alternative comparison-group methods were considered as options for conducting this comparative analysis. Chapter 2 identified those approaches and the ones that we implemented. This chapter presents the results from using the high-poverty census-tract comparison group (propensity matching approach) and the high-poverty CPS census tracts in central cities matches.

Before presenting the findings from the two comparison-group approaches, we discuss the labor market for youths—nationally and in the locations where YO programs operated—as context for the findings.

The National Labor-Market Context for Young Adults (16 to 24) between 2000 and 2004

The YO programs operated in a labor-market environment in which many young adults found it increasingly difficult to find employment. The national labor-market boom of the middle to late 1990s came to a sudden halt in early 2001 with a national recession beginning in March of that year.²⁴ While the recession officially came to an end in November 2001, the national unemployment rate continued to rise through the early summer of 2003,²⁵ and payroll employment did not begin to grow steadily until the late summer of that year. The nation's teens and young adults (20- to 24-year-olds) were the most adversely affected by these deteriorating labor market conditions, with their employment rates falling steadily from 2001 through 2004.²⁶

Findings of the national CPS household surveys on the labor-force participation behavior and employment status of the 16- to 24-year-olds in the nation's metropolitan areas and central cities are displayed in Table 3–1. Between 2000 and 2004, the number of 16-to 24-year-old youths residing in metropolitan areas of the nation rose by 1.926 million, or nearly 7 percent. The number of young adults actively participating in the civilian labor force, however, fell by 185,000 over the same 4-year period. The civilian labor-force participation rate of teens and young adults in these metropolitan areas declined from 65.8 percent in 2000 to 60.9 percent in 2004, a drop of nearly five percentage points, or 7.4 percent. At the same time, the unemployment rate of these 16- to 24-year-olds rose from 9.2 percent to 11.8 percent, a rise of 2.6 percentage points. As a consequence of the drop in the labor-force participation rate and a

²⁴ The March 2001 beginning date for the recession of 2001 was established by the National Bureau of Economic Research. The recession's ending date was identified as November 2001.

²⁵ The seasonally adjusted monthly unemployment rate for the nation peaked at an average of 6.2 percent during the June–August period of 2003.

²⁶ For a review of the changing labor-market fate of teens and young adults from 2000–2004 in the nation and central-city high-poverty neighborhoods, see Andrew Sum, Paulo Tobar, Joseph McLaughlin, and Sheila Palma, *Trends in the Employment Status of Teens and Young Adults in the U.S. and in Selected High-Poverty Neighborhoods, 2000–2004*, prepared for DIR and the U.S. Department of Labor's Employment and Training Administration, Washington, D.C., 2004.

rise in youths' unemployment rate, the employment/population (E/P) ratio of these 16- to 24-year-olds in metropolitan areas declined sharply from 59.7 percent to 53.7 percent, a drop of 6 percentage points, or 10 percent. Nationally, the E/P ratio of all working-age adults (16 and older) fell by only 2 percentage points over the same 4-year time period. Among older adults (55 and older), the E/P ratio actually increased by 1.5 to 2.0 percentage points.²⁷

Table 3–1. Trends in the Number of 16- to 24-Year-Olds and Their Labor-Force and Employment Status in All Metropolitan Areas and Central Cities of the U.S., 2000–2004 (in thousands)

	2000	2004	Net Change	% Change
All metro areas				
Population	27,970	29,896	1,926.0	6.9
Civilian labor force	18,396	18,211	185.0	–1.0
Civilian labor force participation rate (%)	65.8%	60.9%	–4.9	–7.4
Employment	16,704	16,063	–641.0	–3.8
E/P ratio (%)	59.7%	53.7%	–6.0	–10.0
Unemployment	1,692	2,148	456.0	27.0
Unemployment rate (%)	9.2%	11.8%	2.6	28.2
All central cities				
Population	11,280	11,464	184.0	1.6
Civilian labor force	7,257	6,882	–375.0	–5.2
Civilian labor force participation rate (%)	64.3%	60.0%	–4.3	–6.7
Employment	6,484	5,950	–534.0	–8.2
E/P ratio (%)	57.5%	51.9%	–5.6	–9.7
Unemployment	773	931	158.0	20.4
Unemployment rate	10.7%	13.5%	2.9	27.0

Source: CPS data, U.S. Bureau of Labor Statistics, Washington, D.C., unpublished; tabulations by authors.

The bulk of the urban YO program sites were located in 24 central cities across the nation. Labor-force developments in the nation's central cities for teens and young adults followed the same general pattern. The number of 16- to 24-year-olds who were active in the labor force fell by more than 5 percent, while their overall numbers in the population increased by slightly less than 2 percent. The civilian labor-force participation rate of these 16- to 24-year-old residents of central cities declined by 4.3 percentage points, or nearly 7 percent, between 2000 and 2004. The unemployment rate of these 16- to 24-year-olds rose by nearly 3 percentage points, from 10.7 percent to 13.5 percent, over the same time period. Due to this combination of declining participation rates and rising unemployment rates, the E/P ratio of 16- to 24-year-old residents of central cities fell from 57.5 percent in 2000 to 51.9 percent in 2004, a drop of 5.6 percentage points, or just under 10 percent. All of the employment gains of the 1990s labor-market boom (1993–2000) for young adults in central cities were wiped out during the recessionary environment of 2001 and the largely jobless recovery from 2001 through 2003.

²⁷ The E/P ratio of adults 55–64 increased by 2.1 percentage points between 2000 and 2004, while that of elderly adults (65 and over) rose by 1.4 percentage points over the same 4-year period. For a more detailed analysis of this extraordinary age twist in employment rates in the U.S., see Andrew Sum, Ishwar Khatiwada, and Sheila Palma, "The Age Twist in Employment Rates, 2000–2004," *Challenge: The Magazine of Economic Affairs*, July–August 2005, pp. 51–68.

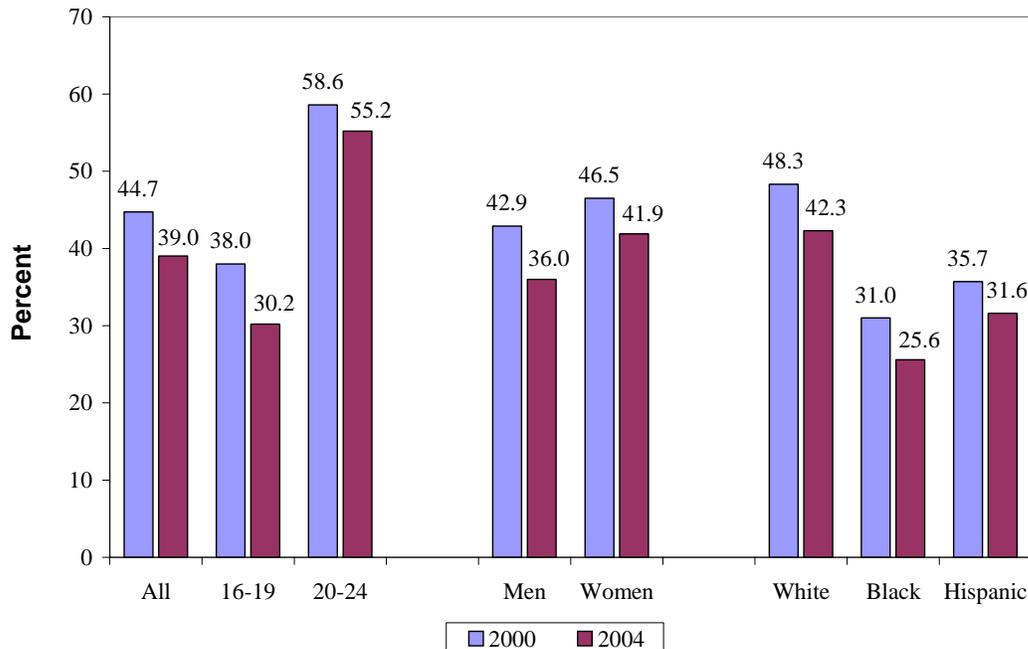
The deterioration in the employment prospects of the nation’s teens and young adults between 2000 and 2004 was not confined to any particular education level, age, gender, or race or ethnic group. We used national CPS data about the employment rates (E/P ratios) of 16- to 24-year-olds, both in-school and out-of-school, to identify changes in the E/P ratios by age, gender, racial-ethnic, and school-enrollment groups over the 2000–2004 period. Key findings of our analysis are displayed in Tables 3–2 and 3–3 and Figures 3–1 and 3–2.

Table 3–2. Trends in the E/P Ratios of In-School 16- to 24-Year-Olds in the U.S., 2000 to 2004 (Annual Averages, %)

Demographic Group	2000	2004	Percentage-Point Change	% Change
All	44.7	39.0	–5.7	–12.8
Age				
16–19	38.0	30.2	–7.8	–20.5
20–24	58.6	55.2	–3.4	–5.8
Gender				
Men	42.9	36.0	–6.9	–16.1
Women	46.5	41.9	–4.6	–16.0
Racial-ethnic				
White	48.3	42.3	–6.0	–12.4
Black	31.0	25.6	–5.4	–17.4
Hispanic	35.7	31.6	–4.1	–11.5

Source: CPS data, U.S. Bureau of Labor Statistics, 2000, 2004, unpublished.

Figure 3–1. Trends in the Employment-to-Population Ratios of In-School 16- to 24-Year-Olds in the U.S. by Age Group, Gender, and Race-Ethnicity, 2000–2004



Among in-school youths (16 to 24 years), the E/P ratio declined from 44.7 percent to 39.0 percent—that is, nearly 6 percentage points or 13 percent (Table 3–2). Declines in E/P ratios occurred among every major demographic subgroup of in-school youths, with the largest declines for 16- to 19-year-olds, men, and Blacks (Table 3–2 and Figure 3–1). The E/P ratio of in-school teens fell by 20 percent, while those for men and Blacks declined by 16 to 17 percent over the same 4-year period. To place these E/P declines for in-school adults into perspective, the E/P ratio for all working-age adults fell by only 3 percent over the same 4-year period.

The E/P ratio of out-of-school youths (16 to 24 years) declined by 4 percentage points between 2000 and 2004. The employment rates of each demographic and schooling subgroup of out-of-school youths declined over this 4-year period; however, the absolute and relative sizes of these declines were considerably greater among teens than among 20- to 24-year-olds and among those young adults with schooling below the bachelor’s degree than among bachelor-degree holders. The E/P ratio of young 4-year college graduates declined by only one percentage point over this 4-year period, while those of out-of-school youths in each of the other three educational subgroups declined by four to five percentage points. Four-year college graduates, however, were finding it somewhat more difficult to obtain employment in college-related occupations. They were experiencing greater employment problems that reduced their real annual earnings and led to some displacement of less-educated young adults from the labor market.

Table 3–3. Trends in the E/P Ratios of Out-of-School 16- to 24-Year-Olds in the U.S. by Age, Gender, Race-Ethnic Group and Educational Attainment, 2000 to 2004 (Annual Averages, %)

Demographic Group	2000	2004	Percentage-Point Change	% Change
All	73.2	69.1	-4.1	-5.6
Age				
16–19	61.1	53.6	-7.4	-12.1
20–24	77.9	74.0	-3.9	-5.0
Gender				
Men	78.5	74.3	-4.2	-5.4
Women	67.7	63.5	-4.2	-6.2
Racial-ethnic				
White	76.1	72.1	-4.1	-5.4
Black	59.2	55.2	-4.1	-6.9
Hispanic	68.8	66.2	-2.6	-3.8
Educational Attainment				
Less than a high-school diploma	55.7	51.5	-4.2	-7.5
High-school grad, no college	75.9	70.6	-5.3	-7.0
Less than a bachelor's degree	83.9	78.8	-5.1	-6.1
College graduates	88.4	87.4	-1.0	-1.1

Source: CPS unpublished tables, U.S. Bureau of Labor Statistics, 2000, 2004.

Figure 3–2. Trends in the Employment-to-Population Ratios of Out-of-School 16- to 24-Year-Olds in the U.S. by Age Group, Gender, and Race-Ethnicity, 2000–2004 (in %)

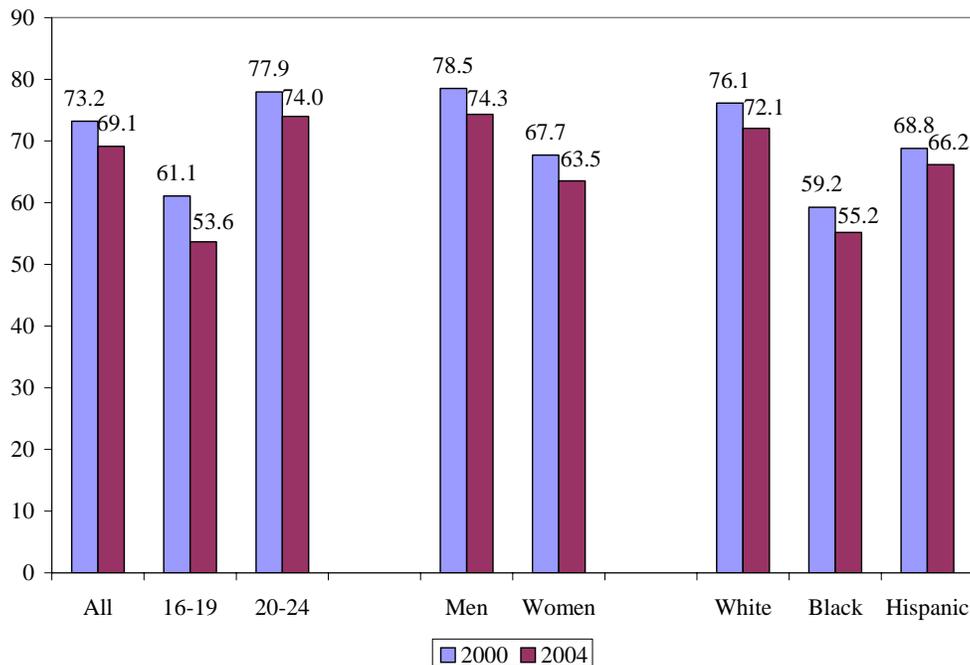
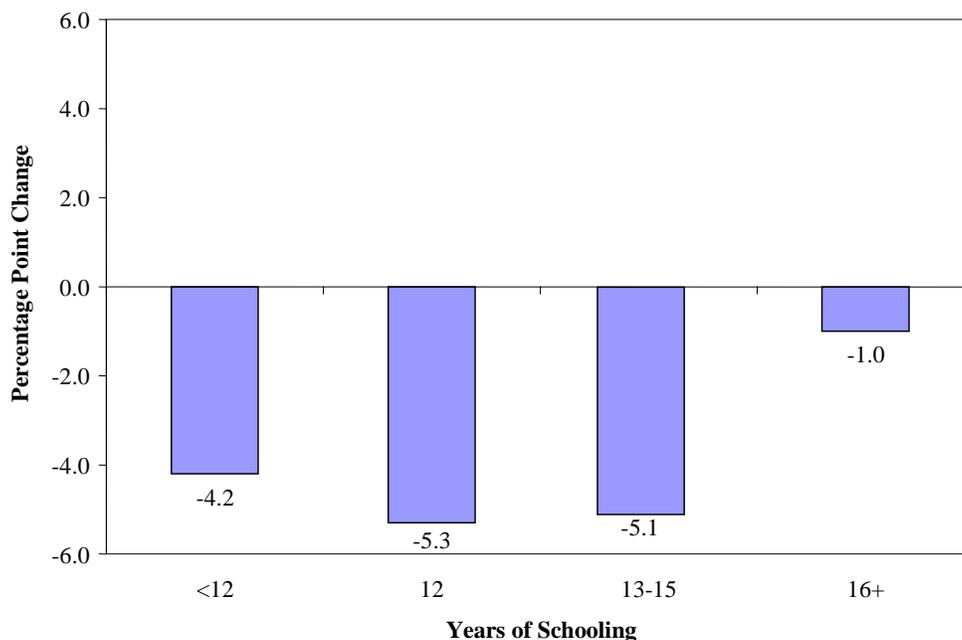


Figure 3–3. Percentage-Point Changes in the Annual Average E/P Ratios of Out-of-School, 16- to 24-Year-Olds in the U.S., in Selected Educational Attainment Groups, between 2000 and 2004



A Comparison of Overall Labor-Market Conditions in YO Central Cities with Those for All U.S Central Cities, between 2000 and 2004

The labor-market experiences of teens and young adults have been found to be highly correlated with overall labor-market conditions in the areas where they live.²⁸ Teens living in areas with low unemployment and strong job growth benefit disproportionately from such favorable labor-market conditions. A comparison of overall labor-market conditions in YO cities with those in central cities over the 2000–2004 period would help determine whether young adults living in cities served by the YO program face similar labor-market conditions as young adults living in central cities across the U.S. A finding of similar overall labor-market conditions in these two areas would lend empirical support to the assertion that any estimated differences in changes in employment outcomes between YO target-area youths and their peers in central-city high-poverty neighborhoods over the 2001–2004 period was due to the YO intervention rather than to more favorable labor-market conditions in YO areas.

How similar were overall labor-market conditions in the central cities served by the YO program with those of all U.S. central cities? To answer this key question, we have analyzed data from the Local Area Unemployment Statistics Program (LAUS), comparing changes in the size of the resident labor force, employment and unemployment levels, and unemployment rates for 23 of the 24 YO cities over the 2000 to 2004 period with similar estimates from the Current Population Survey (CPS) for the 16-and-older population living in the nation’s central cities over the same

²⁸ For a review of research evidence on this topic, see: Andrew Sum, Neeta Fogg, and Garth Mangum, *Confronting the Youth Demographic Challenge: Labor Market Prospects of At-Risk Youth*, Sar Levitan Center for Social Policy Studies, Johns Hopkins University, Baltimore, 2000.

time period.²⁹ Estimates of changes in the size of the local labor force and in the employment and unemployment levels for the 23 YO cities from 2000 to 2004 and estimates for all U.S. central cities are presented in Tables 3–4 and 3–5.

The resident labor force in the 23 YO cities increased modestly by approximately 82,000, or 1 percent, between 2000 and 2004, while the labor force in all of U.S. central cities rose by 1.4 percent over the same time period (Table 3–4). We observed a similar pattern of changes in overall employment levels. Employment in all 23 YO cities (combined) declined by 1.3 percent from 2000 to 2004. In all U.S. central cities, employment declined by 0.7 percent.

Table 3–4. Changes in Labor Force and Employment Levels in the 23 YO Cities and U.S. Central Cities, 2000–2004

City	Labor Force				Employment			
	2000	2004	Net Change	% Change	2000	2004	Net Change	% Change
Birmingham, AL	112,633	110,019	-2,614	-2.3	106,383	101,476	-4,907	-4.6
San Diego, CA	614,135	664,765	50,630	8.2	590,119	633,237	43,118	7.3
Hartford, CT	46,165	47,734	1,569	3.4	43,988	42,899	-1,089	-2.5
Louisville, KY	361,025	349,997	-11,028	-3.1	347,555	330,575	-16,980	-4.9
Baltimore, MD	280,786	271,936	-8,850	-3.2	264,187	251,628	-12,559	-4.8
Brockton, MA	45,329	44,779	-550	-1.2	43,783	41,705	-2,078	-4.7
Memphis, TN	306,546	300,093	-6,453	-2.1	291,406	276,551	-14,855	-5.1
San Antonio, TX	543,008	582,519	39,511	7.3	519,568	547,187	27,619	5.3
Seattle, WA	336,924	342,064	5,140	1.5	322,292	322,898	606	0.2
Milwaukee, WI	283,514	270,997	-12,517	-4.4	268,433	249,622	-18,811	-7.0
Tucson, AZ	237,870	254,380	16,510	6.9	228,073	241,426	13,353	5.9
Los Angeles, CA	1,819,887	1,860,735	40,848	2.2	1,710,743	1,726,348	15,605	0.9
San Francisco, CA	472,545	422,313	-50,232	-10.6	456,490	397,083	-59,407	-13.0
Denver, CO	306,409	302,136	-4,273	-1.4	297,209	281,599	-15,610	-5.3
Tampa, FL	152,818	164,410	11,592	7.6	146,608	155,605	8,997	6.1
Boston, MA	304,205	290,610	-13,595	-4.5	294,967	273,942	-21,025	-7.1
Detroit, MI	381,590	378,204	-3,386	-0.9	353,900	324,976	-28,924	-8.2
Buffalo, NY	124,751	125,367	616	0.5	118,442	116,169	-2,273	-1.9
Cleveland, OH	203,665	193,177	-10,488	-5.1	188,569	177,066	-11,503	-6.1
Portland, OR	305,797	295,649	-10,148	-3.3	291,197	272,816	-18,381	-6.3
Philadelphia, PA	635,138	623,943	-11,195	-1.8	599,606	577,298	-22,308	-3.7
Houston, TX	963,777	1,024,034	60,257	6.3	914,737	948,573	33,836	3.7
Kansas City, MO	236,879	237,523	644	0.3	227,919	219,346	-8,573	-3.8
Total 23 YO cities	9,075,396	9,157,384	81,988	0.9	8,626,174	8,510,025	-116,149	-1.3
All U.S. central cities (in 1000s)*	41,233	41,799	566	1.4	39,187	38,929	-258	-0.7

Sources: Local Area Unemployment Statistics (LAUS), Bureau of Labor Statistics, www.bls.gov.

* CPS Tables, Bureau of Labor Statistics, 2000–2004, unpublished.

²⁹ Due to the unavailability of survey data for the Washington D.C. area, that urban area is not included in the comparison analyses presented in this chapter.

Employment varied considerably over the 2000-to-2004 period across the YO central cities. Some increases in employment were substantial in YO cities in the South and West, ranging from 5.3 percent in San Antonio and 5.9 percent in Tucson to 6.1 percent in Tampa and 7.3 percent in San Diego. However, a substantial majority of the YO cities suffered declines in employment, ranging from -2.5 percent in Hartford to -7 percent in Boston, -8 percent in Detroit, and -13 percent in San Francisco.

Due to the rise in the labor force and the drop in employment, the unemployment rate of all 23 YO cities (combined) increased between 2000 and 2004 by 2.1 percentage points. A similar increase of just less than 2 percentage points in the unemployment rate for all U.S. central cities was found over the same time period. The changes in the unemployment rates of the YO cities varied substantially, from a low of 0.8 percentage points in San Diego to highs of 5.4 and 6.8 percentage points in Hartford and Detroit, respectively.

Table 3–5. Changes in Unemployment Rates and Levels in 23 YO Cities and U.S. Central Cities, 2000–2004

City	Unemployment Rate			Unemployment			
	2000	2004	Percentage-Point Change	2000	2004	Net Change	% Change
Birmingham, AL	5.5	7.8	2.3	6,250	8,543	2,293	36.7
San Diego, CA	3.9	4.7	0.8	24,016	31,528	7,512	31.3
Hartford, CT	4.7	10.1	5.4	2,177	4,835	2,658	122.1
Louisville, KY	3.7	5.5	1.8	13,470	19,422	5,952	44.2
Baltimore, MD	5.9	7.5	1.6	16,599	20,308	3,709	22.3
Brockton, MA	3.4	6.9	3.5	1,546	3,074	1,528	98.8
Memphis, TN	4.9	7.8	2.9	15,140	23,542	8,402	55.5
San Antonio, TX	4.3	6.1	1.8	23,440	35,332	11,892	50.7
Seattle, WA	4.3	5.6	1.3	14,632	19,166	4,534	31.0
Milwaukee, WI	5.3	7.9	2.6	15,081	21,375	6,294	41.7
Tucson, AZ	4.1	5.1	1.0	9,797	12,954	3,157	32.2
Los Angeles, CA	6.0	7.2	1.2	109,144	134,387	25,243	23.1
San Francisco, CA	3.4	6.0	2.6	16,055	25,230	9,175	57.1
Denver, CO	3.0	6.8	3.8	9,200	20,537	11,337	123.2
Tampa, FL	4.1	5.4	1.3	6,210	8,805	2,595	41.8
Boston, MA	3.0	5.7	2.7	9,238	16,668	7,430	80.4
Detroit, MI	7.3	14.1	6.8	27,690	53,228	25,538	92.2
Buffalo, NY	5.1	7.3	2.2	6,309	9,198	2,889	45.8
Cleveland, OH	7.4	8.3	0.9	15,096	16,111	1,015	6.7
Portland, OR	4.8	7.7	2.9	14,600	22,833	8,233	56.4
Philadelphia, PA	5.6	7.5	1.9	35,532	46,645	11,113	31.3
Houston, TX	5.1	7.4	2.3	49,040	75,461	26,421	53.9
Kansas City, MO	3.8	7.7	3.9	8,960	18,177	9,217	102.9
Total 23 YO cities	5.0	7.1	2.1	449,222	647,359	198,137	44.1
All U.S. central cities (1000s)*	5.0	6.9	1.9	2,046	2,870	824	40.3

Source: Local Area Unemployment Statistics (LAUS), Bureau of Labor Statistics, www.bls.gov.

* CPS Tables, Bureau of Labor Statistics, 2000–2004, unpublished.

On the basis of these findings, it seems clear that aggregate changes in the overall labor-market environment of the 23 YO cities were very similar to changes in the labor-market environment of all U.S. central cities during the 2000-to-2004 period. Our estimates of changes in the resident labor force, employment and unemployment levels, and unemployment rates suggest that, on average, young adults living in YO cities faced a similar set of labor-market conditions as their peers living in all central cities during the 2000-to-2004 period. The estimated impacts of YO programs on labor-market outcomes for 16- to 21-year-olds should reflect the effects of the program rather than differences in external labor-market conditions. Differences in labor-market outcomes for target-area youth across YO sites may, however, partly reflect substantive differences in labor-market conditions across the cities in which these programs operated. A multivariate statistical analysis of the relationships between the estimated changes in youth

labor-market outcomes and changes in local labor-market conditions across the 23 urban YO sites over the 2000–2004 period would warrant analysis in a separate paper.

Against this background, this evaluation sought to estimate the impact of YO grants on educational and employment outcomes for young people. In the next section, we discuss changes in key employment and education outcomes within the YO sites and then examine those changes in relation to the set of comparison communities.

Changes in Characteristics and Experiences of Youths in YO Communities

Changes in youth outcomes in YO sites could be affected by other factors besides activities of the YO programs. For example, changes in the size and composition of the youth population can influence the change in outcomes because the survey was cross-sectional, not longitudinal, and looked at two populations at two points in time.

Changes in the population of a YO community may be driven in part by the aging of the population, such as youths ages 11–13 at the baseline reaching ages 14–16 at the follow-up (“aging in”) and youths ages 19–21 at baseline reaching ages 22–24 at the follow-up (“aging out”). In addition, youths may migrate in or out of target areas, some driven by changes in the economic situation and others by the construction of new housing, the renovation of existing housing, or the demolition of housing.

Even in the absence of the YO Grant program, therefore, it is possible for statistically significant changes to occur between the baseline and follow-up surveys in outcome measures because of changing economic conditions and also because of substantial changes in the size and composition of the population. So these factors are useful to consider in examining changes in the outcomes of primary interest.

First, we look at changes over time in the population of youths in the YO communities on the basis of the youth survey results. Then we review changes in the characteristics of the youths—their gender, age, foreign-born status, and race-ethnicity. We then look at changes in selected labor-market and educational outcomes.

Change in Estimated Population of Youth Residing in YO Target Areas³⁰

There is substantial diversity in the size of estimated youth populations across the YO target areas. Estimated populations ranged from areas with between 1,000 and 3,000 youths to three areas with more than 9,000 youths at the baseline (Table 3–6). Table 3–6 presents the estimated youth populations in YO target areas for Waves 1 and 2 of the youth survey, the change in the estimated populations from Wave 1 to Wave 2, and the percentage change in the estimated populations. Among these 29 sites, 11 target areas experienced a change of at least 10 percentage points. All of the changes greater than 10 percent were increases in the number of youths, except for one site (Seattle, Washington). In addition, some smaller percentage changes reflected

³⁰ Although baseline and follow-up surveys were conducted in a total of 33 target areas, 4 of the areas are located within Native American tribal areas. All six tribal areas were not included in this analysis because of the challenge of sampling in tribal areas and the subsequent differences in statistical treatment needed to produce estimated populations. Therefore, references to the YO target areas in this section exclude the 6 non-Native American YO sites and Washington, D.C.

decreases in the youth population. Overall, the population of youths decreased in 6 of the 29 target areas. Substantial changes in estimated populations for target areas might be explained in part by in-and-out migration of youths coinciding with changes in the housing stock (such as demolition, new construction, or gentrification) and changes in local employment opportunities. Overall, however, there was an increase of approximately 6.5 percent in the estimated number of youths in the YO target areas between Waves 1 and Wave 2, representing about 10,000 additional youths eligible to be served.

This analysis identifies youths as either out-of-school youths (OSY)³¹ or in-school youths (ISY)³². The increase in the YO age-eligible youth in the target areas was not consistent for ISY and OSY. Tables 3–7 and 3–8 present the baseline estimated populations of OSY and ISY respectively, and the number and percentage changes for each population by site. Twenty-two of the 29 target areas experienced decreases in the estimated population of OSY, and 7 experienced increases. In contrast, only 1 out of the 29 sites (Monroe, Louisiana) experienced a decrease in the estimated population of ISY, while 28 experienced increases (Table 3–7). The estimated population of OSY is always much less than that of ISY, and the decreases in population percentage change are greater among OSY than ISY. Overall, OSY declined by about 10.4 percent across all of the 29 sites, while ISY increased their presence by more than 15 percent. As a result, the YO sites between the two points in time of our surveys were composed increasingly of ISY compared to OSY.

³¹ Out-of school youths (OSY) are youths not enrolled in school or youths who have a high-school diploma and are enrolled in a vocational or technical school, an ESL program, or a job-training or life-skills program.

³² In-school youths (ISY) are youths who are enrolled in middle school, junior-high school, high school, a 2- or 4-year college, a GED program, a school for the deaf, special education, home school, a probation school or work release, a business school, or a vocational or technical school (youths who did not have a high-school diploma).

Table 3–6. Target Areas Sorted by Percent Change in Total Estimated Population from Baseline to Follow-Up

YO Target Area	Wave 1	Wave 2	Net Change	% Change
Tampa, FL	6,189	7,396	1,207	19.5
Milwaukee, WI	6,524	7,750	1,226	18.8
Cleveland, OH	5,578	6,461	883	15.8
Philadelphia, PA	4,216	4,850	634	15.0
Brockton, MA	2,986	3,412	426	14.3
Louisville, KY	5,926	6,687	761	12.8
Buffalo, NY	4,895	5,514	619	12.6
San Diego, CA	8,737	9,798	1,061	12.1
Hartford, CT	5,259	5,822	563	10.7
Maui & Molokai, HI	1,094	1,207	113	10.3
Memphis, TN	6,105	6,671	566	9.3
Robeson County, NC	3,751	4,087	336	9.0
Detroit, MI	8,982	9,702	720	8.0
Kansas City, MO	3,308	3,538	230	7.0
Los Angeles, CA	9,434	10,026	592	6.3
San Antonio, TX	11,704	12,226	522	4.5
Tucson, AZ	8,821	9,205	384	4.4
Baltimore, MD	6,286	6,549	263	4.2
Houston, TX	9,384	9,674	290	3.1
Brawley/Calipatria, CA	1,892	1,949	57	3.0
Boston, MA	6,224	6,349	125	2.0
Denver, CO	5,991	6,071	80	1.3
Birmingham, AL	1,819	1,840	21	1.2
Portland, OR	3,277	3,244	-33	-1.0
Chicot/Desha Cty, AR	3,630	3,588	-42	-1.2
San Francisco, CA	3,660	3,451	-209	-5.7
Albany, GA	4,474	4,184	-290	-6.5
Monroe, LA	3,446	3,179	-267	-7.7
Seattle, WA	3,921	3,454	-467	-11.9
Totals	157,513	167,884	10,371	6.6

Table 3–7. Change in Total Population of OSY by Target Area, Sorted by Percentage Change

YO Target Area	Wave 1	Wave 2	Net Change	% Change
Milwaukee, WI	1,855	2,327	471	25.4
Cleveland, OH	1,676	2,083	407	24.3
Maui & Molokai, HI	299	351	53	17.6
Tampa, FL	2,312	2,704	392	17.0
Philadelphia, PA	1,480	1,653	173	11.7
Brawley/Calipatria, CA	382	389	7	1.7
Louisville, KY	2,047	2,050	3	0.1
Memphis, TN	1,779	1,774	-5	-0.3
Birmingham, AL	566	552	-13	-2.4
Baltimore, MD	2,744	2,619	-125	-4.6
Monroe, LA	971	923	-48	-5.0
San Diego, CA	2,676	2,517	-159	-5.9
Robeson County, NC	1,166	1,074	-92	-7.9
Brockton, MA	939	861	-79	-8.4
Chicot/Desha Cty, AR	1,100	1,001	-98	-8.9
Kansas City, MO	1,128	1,025	-103	-9.1
Hartford, CT	2,032	1,826	-206	-10.1
Buffalo, NY	1,450	1,290	-160	-11.0
Los Angeles, CA	2,777	2,468	-309	-11.1
Tucson, AZ	3,148	2,770	-378	-12.0
San Antonio, TX	4,251	3,503	-748	-17.6
Boston, MA	1,726	1,375	-351	-20.3
San Francisco, CA	1,210	941	-269	-22.2
Detroit, MI	3,615	2,725	-890	-24.6
Houston, TX	3,594	2,693	-902	-25.1
Albany, GA	1,461	1,064	-397	-27.2
Portland, OR	1,124	804	-319	-28.4
Denver, CO	2,609	1,772	-837	-32.1
Seattle, WA	1,061	535	-526	-49.6
TOTALS	53,178	47,669	-5,508	-10.4

Table 3–8. Change in Total Population of ISY by Target Area, Sorted by Percentage Change

YO Target Area	Wave 1	Wave 2	Net Change	% Change
Detroit, MI	5,367	6,977	1,610	30.0
Denver, CO	3,382	4,299	917	27.1
Brockton, MA	2,047	2,551	505	24.7
Hartford, CT	3,227	3,996	769	23.8
Buffalo, NY	3,445	4,224	779	22.6
Tampa, FL	3,877	4,692	815	21.0
Houston, TX	5,790	6,981	1,192	20.6
San Diego, CA	6,061	7,281	1,220	20.1
Louisville, KY	3,879	4,637	758	19.6
San Antonio, TX	7,453	8,723	1,270	17.0
Philadelphia, PA	2,736	3,197	461	16.8
Robeson County, NC	2,585	3,013	428	16.6
Milwaukee, WI	4,669	5,423	755	16.2
Kansas City, MO	2,180	2,513	333	15.3
Los Angeles, CA	6,657	7,558	901	13.5
Tucson, AZ	5,673	6,435	762	13.4
Portland, OR	2,153	2,440	286	13.3
Memphis, TN	4,326	4,897	571	13.2
Cleveland, OH	3,902	4,378	476	12.2
Baltimore, MD	3,542	3,930	388	10.9
Boston, MA	4,498	4,974	476	10.6
Maui & Molokai, HI	795	856	60	7.6
Albany, GA	3,013	3,120	107	3.6
Brawley/Calipatria, CA	1,510	1,560	50	3.3
Birmingham, AL	1,253	1,288	34	2.7
San Francisco, CA	2,450	2,510	60	2.4
Chicot/Desha Cty, AR	2,530	2,587	56	2.2
Seattle, WA	2,860	2,919	59	2.1
Monroe, LA	2,475	2,256	-219	-8.8
TOTALS	104,335	120,215	15,879	15.2

Change in Characteristics of Youth Residing in YO Target Areas

In this section, we examine the changes between Wave 1 and Wave 2 in characteristics of youths (gender, age, foreign-born status, and race/ethnicity) residing in YO sites.

Gender

Eighteen of the 29 sites experienced a decrease in the female youth population, while 9 sites had an increase. Two sites did not experience any change.

Age

No significant changes occurred in the population estimates in any single site among the 14- to 15-year-old youths between the two survey periods. Overall, however, this age group grew by slightly more than 10 percent in the YO target areas between 2001 and 2004. Between Wave 1 and Wave 2, some significant and substantial changes occurred in the population size of youths between 16 and 18 years old in specific sites. Most of the changes reflected an increase in the number of 16- to 18-year-olds. Overall, the 16- to 18-year-old age group experienced a 6-percent increase in the YO target areas. Overall, the 19- to 21-year-old age group declined slightly across the YO target area overall.

Foreign-Born Status and Race/Ethnicity

Overall, the percentage of foreign-born youths in the 29 YO target areas increased by less than one percent. Nine of the 29 sites experienced a significant change in the percentage of foreign-born youths between the two survey periods; 8 of those 9 sites had a decline in the percentage of foreign-born youths. Four other sites had changes approaching significance (p value between .05 and .10). The changes in the other 16 sites were neither substantial nor significant.

It is noteworthy that in looking at the change in race and ethnicity across the YO sites, we found that non-Hispanic Whites (in 7 sites), non-Hispanic Blacks (in 3 sites) and Asians (in 2 sites) were most likely to experience significantly declining populations. By contrast, Hispanics did not decline significantly in any site.

Changes in Labor-Market Outcomes of Youths Residing in YO Target Areas

We examined the change in labor-market outcomes of youths between the two points in time of our youth surveys. Table 3–9 presents the six labor-market outcomes for all OSY in the 29 non-Native American target areas. The labor-force participation rate for OSY was unchanged at about 78 percent. Statistically significant changes occurred in the other employment-outcome measures—all in an undesirable direction. The employment rate decreased 4 points to 42.4 percent, and the unemployment rate increased by 4.8 points to 45.5 percent. The average real hourly wage rate decreased from \$8.25 to \$7.86. The average number of hours worked per week decreased from 35.2 to 32.8 hours. The percentage of employed OSY working full time decreased from 66.9 percent to 56.5 percent, a change of 10.5 percentage points.

Table 3–9. Labor-Market Outcomes for All OSY in 29 Non-Native American Target Areas

Outcome	Wave 1	Wave 2	Percentage-Point Change
Labor-force participation rate (%)	78.2	77.8	-0.4
Employment rate (%)	46.4	42.4	-4.0***
Unemployment rate (%)	40.7	45.5	4.8***
Average real hourly wage rate (\$)	\$8.25	\$7.86	-0.40***
Average hours worked per week (hrs)	35.2	32.8	-2.4***
Full-time employment (%)	66.9	56.5	-10.5***

*** Significant at .01 level; ** significant at .05 level

The significant overall decline in the employment rate for youths who were not enrolled in school does not adequately capture the wide variation in the change at site level in the employment rate for OSY between 2001 and 2004. Table 8–1 in Appendix 8 shows that two non-Native American YO sites had significant increases in their employment rates during that time while eight had significant declines.

Table 3–10 presents the six labor market outcomes for all ISY in the 29 non-Native American target areas. The labor-force participation rate for ISY was essentially unchanged at about 45 percent. The average real hourly wage rate for employed ISY decreased by \$0.14, but the change was not significant. All of the other employment measures had statistically significant changes in an undesirable direction.

Table 3–10. Labor-Market Outcomes for All ISY in Non-Native American Target Areas

Outcome	Wave 1	Wave 2	Percentage-Point Change
Labor-force participation rate (%)	46.3	45.1	–1.1
Employment rate (%)	21.4	17.6	–3.8***
Unemployment rate (%)	53.7	60.9	7.2***
Average real hourly wage rate (\$)	\$7.30	\$7.16	–0.14
Average hours worked per week (hrs)	21.0	19.9	–1.1***
Full-time employment (%)	15.6	11.7	–3.9***

*** Significant at .01 level; ** significant at .05 level

Changes in Educational Outcomes of Youths Residing in YO Target Areas

This analysis categorizes educational attainment into three mutually exclusive categories: youths with less than high-school graduation; youths with high-school graduation (but no college); and youths who attended college. No significant change occurred between Wave 1 and Wave 2 for ISY youths in YO sites overall. While no significant changes occurred or would necessarily be expected for ISY in their educational attainment between Waves 1 and 2, OSY evidenced significant change across each of the attainment levels overall. The percent of OSY with less than high-school completion decreased by five percentage points, while the percent of OSY who graduated from high school or attended some college increased significantly between Wave 1 and Wave 2.

Table 3–11. Educational Attainment of OSY across 29 YO Target Areas

Characteristic	Wave 1	Wave 2	Percentage-Point Change
Less than high-school graduation (%)	54.6	49.6	–5.0***
High-school graduation (%)	33.6	37.3	3.7***
Some college (%)	11.8	13.1	1.2**

*** Significant at .01 level; ** significant at .05 level

Level of School Enrollment

This analysis identifies three types of school enrollment: in middle, junior or high school; in a GED or other program; and in 2- or 4-year college. No significant change between Wave 1 and Wave 2 in overall school enrollment was uncovered for ISY.

Table 3–12. Level of School Enrollment of ISY over 29 YO Target Areas

Characteristic	Wave 1	Wave 2	Percentage-Point Change
Middle, junior, or high school	79.9	79.4	–0.5
GED or other	4.2	4.1	–0.1
2- or 4-year college	15.9	16.5	0.6

*** Significant at .01 level; ** significant at .05 level

Educational Status of OSY

Another view of the educational attainment of OSY focused on whether they had a GED or high-school diploma, were high school dropouts, or were “idle.” A high-school dropout is defined as an OSY who does not have a high-school diploma or GED and whose highest level of educational attainment is eleventh grade or lower. Youths are described as idle if they are OSY, not in the labor force, and not enrolled in adult or continuing education or in a vocational technical college. We found significant changes across the YO sites overall for all of these measures except “idle.”

Table 3–13. Other Educational Status for OSY in 29 YO Target Area PSUs

Characteristic	Wave 1	Wave 2	Percentage-Point Change
Neither diploma or GED	54.2	49.5	–4.7***
GED	6.8	5.2	–1.6***
High-school diploma	38.9	45.3	6.3***
High-school dropout	49.5	45.5	–4.0***
Idle	20.1	20.8	0.7

*** Significant at .01 level; ** significant at .05 level

These overall changes in the educational status of youths in YO sites masks some of the widely divergent site-level changes on educational measures over the two points in time. Tables in Appendix 8 list some of the site-level changes, as follows: Table 8–2 shows the wide site-level differences in changes between 2001 and 2004 in the college-going rates across YO sites; Table 8–3 shows the wide site-level differences in the level of reduction of dropout problems across YO sites; and Table 8–4 shows the wide site-level differences in changes between 2001 and 2004 in the percentage of disconnected youths across YO sites.

In summary, looking at youths in the subset of 29 YO sites at two points in time, we see that the size of the ISY population increased and the size of the OSY population declined. These changes paralleled the growth in younger age ranges in the YO sites. Therefore, YO programs, in trying to address a larger ISY population than might have been present when the programs started in 2001, could be expected to focus on educational components as necessary elements of a successful program; an employment focus alone would not address the needs of the changing population. As a result, many more sites experienced increases in educational outcomes while many sites experienced declines in employment outcomes between the two points in time. Some sites that saw significant declines in employment outcomes had corresponding significant increases in educational outcomes. But site variations and patterns were not consistent, and our examination of site patterns alone did not reveal pertinent information.

The remainder of this chapter presents the findings about changes in employment and educational outcomes for youth in YO sites in comparison to youth in non-YO areas, from the two alternative comparison-group methods—the high-propensity census-tract comparison-group approach and CPS’s high-poverty central-city neighborhoods comparison-group approach.

YO Impacts, Based on Analysis of the High-Propensity Census-Tract Comparison Group

This section discusses the high-propensity approach and presents our analysis of YO impacts derived from comparing results of youth-survey data with findings from the U.S. Census Bureau’s ACS data for the comparison group. First, we summarize the methods used to conduct the analysis. Then, we present the results.

Overview of Methods

To estimate the impact of YO grants on educational and employment outcomes for young people, we:

1. Estimated the change in these outcomes for youths living in YO target areas
2. Estimated what the change in outcomes would have been for youths living in these YO target areas if there were no YO grants
3. Compared the observed change in outcomes for youths living in the target areas with the estimated change in outcomes for youths, assuming no YO grants—that is, compared Step 1 with Step 2

Steps 2 and 3 are needed because not all change observed in YO target areas can be attributed to the YO grants. Whatever changes might have occurred in the target areas while YO programs were in operation could have been caused by a variety of demographic and labor-market factors, not just by the YO programs. Alternative explanations for changes coincidental with YO programs could include, for instance, changes in the local economic conditions related to regional or nationwide changes, and changes in target-area demographics. The major challenge of the proposed impact analysis plan was to estimate how outcome measures would have changed in target areas had there been no YO programs. Because the target areas did have the YO programs, outcome change in the counterfactual situation of not having YO programs could not be measured directly.

A reasonable method for estimating what might have happened in the absence of YO programs was to estimate the observed change in suitably selected comparison areas that were similar to YO target areas but had no YO programs, and then to assume that the YO target-area changes would have been similar. We opted for this approach. We faced two challenges:

- How should we define comparison areas that had no YO programs yet were similar to YO-program target areas?
- What data should we use for estimating changes in the selected comparison areas? (Note that the YO surveys were conducted only in areas with YO programs.)

If YO grants had been randomly assigned to areas selected from a pool of more-or-less similar potential target areas, we could have estimated change in YO target areas in the absence of the YO grants by observing change in potential target areas that were not selected to receive grants. The awarding of YO grants was, however, not a random process: grants were awarded to high-poverty communities as the result of a competitive application process.

Thus, comparison areas had to be chosen by methods other than randomization. Obviously, the comparison areas had to have high poverty. However, not all high-poverty areas are alike in all factors that might influence change over time, and failure to adjust for the effects of whatever might influence change in the comparison areas could result in biased YO impact estimates.

The method we used was based on propensity scoring.^{33,34} Propensity scoring was devised to help generate valid treatment-effect estimates from data for treated and untreated (control) units in observational studies in which

- Units were not chosen randomly to receive the treatment
- Treatment is intended to affect an outcome that may also depend on several unit characteristics (the so-called confounders)
- There are too many potential confounders of the treatment to explicitly control their effect by regression analysis or other statistical approaches

In the YO evaluation, the YO grant is the treatment, census tracts are the units, and factors that may have affected YO outcome measures at baseline are confounders. We obtained tract-level data from Census 2000 to measure confounders.

In general, propensity analysis is implemented by modeling the probability of having the treatment as a function of potential confounders. This can be done, for example, by using logistic regression. Rosenbaum and Rubin (1983) showed that under certain conditions, treatment assignment can be treated as if it had been random within propensity strata—that is, among units with approximately identical predicted probability of having the treatment. They also showed that stratification with about 5 strata normally accounts for 95 percent of the effects of confounders on outcomes. In effect, under certain conditions, propensity-based stratifications can be used to justify analyzing data on outcomes from observational studies as if the outcome data

³³ Rosenbaum, Paul R. and Donald B. Rubin. “The Central Role of the Propensity Score in Observational Studies for Causal Effects,” *Biometrika*. 70:41–55, 1983.

³⁴ Rosenbaum, Paul R, *Observational Studies*, Springer-Verlag, New York, 1995.

had been collected from a random experiment, provided that the analyses are performed within propensity strata. The following conditions had to be satisfied:

- The list of variables used for predicting treatment assignment must include all potential confounders of the relationship between treatment and outcomes.
- The propensity model that was fitted balanced the confounders within propensity strata.

All suitable variables from the 2000 Census were included in the list of potential confounders. Of these 22 variables, 7 were retained in the final regression model (for the full list of variables considered, see Appendix 6G). To the extent that the available variables constituted a good list of potential confounders, the propensity scoring method effectively measured the effect of YO programs on the outcomes of interest. Of course, it is possible that some confounders were not included in the model because no information was available for them. The methods used here are limited to the extent that this is true.

The second condition that had to be satisfied was that of balancing. The propensity model is balanced if, within each of the five propensity strata, there is no statistically significant difference between the distributions of the confounders for the YO tracts and the non-YO tracts. The balance test was carried out by fitting a linear model to the confounder variables to test for the presence of interaction between the propensity group (a 5-level categorical variable) and inclusion in a YO site (a 2-level binary variable). All 7 confounders included in the propensity model were found to be balanced, except for the percentage of rural housing units, which marginally failed the balance test at the 5-percent significance level (for p-values, see Appendix 6H).

We implemented an approach based on propensity scoring to estimate the impact of YO programs. In broad terms, we did that as follows.

- We used Census 2000 long-form data to estimate at tract-level the propensity for having a YO program. Specifically, a logistic-regression model was fitted to tract-level data for estimating the probability of having a YO program, as a function of tract statistics. The following variables were retained in the model:
 - Tract population
 - Percentage of home ownership
 - Median contract rent
 - Percentage of vacant housing units
 - Percentage of Whites in the population
 - Percentage of rural population
 - Labor-force participation rate
- Approximately two-thirds of all census tracts had negligible YO propensity. We removed these tracts because they could not be matched with YO tracts. We grouped the remaining tracts by YO propensity into 5 strata. Stratum 1 tracts had the lowest probability of being a YO tract, while stratum 5 had the highest probability of being a YO tract. We then tested for the balance condition to verify that there were no statistically significant differences within each stratum, in the distributions of the seven variables in the model for YO and non-YO tracts. The balance condition was satisfied, and we then measured the YO effect within a propensity stratum by comparing the change in outcomes for YO and non-YO tracts.

Table 3–14 presents estimated proportions of the YO and ACS populations of young people 14 to 21 years of age in each of the propensity strata, for baseline and follow-up years. These proportions were derived from YO survey data and ACS summary estimates from the U.S. Census Bureau. Even after a large number of census tracts were removed, the remaining ACS tracts were still distributed differently from the YO tracts across the propensity groups, with 14- to 21-year-olds in the YO tracts much more likely to be in the higher propensity groups and youths in the ACS tracts much more likely to be in the lower propensity groups. This difference indicates that the YO tracts are at the highest end of poverty, even when compared with the least prosperous one-third of all census tracts. This distribution highlights the difficulty encountered in establishing a suitable comparison group for the YO tracts.

Table 3–14. YO and ACS Populations of 14- to 21-Year-Olds in Propensity Strata, for Baseline and Follow-Up Years

Propensity Group	2001		2003–04	
	YO	ACS	YO	ACS
1	12.1	40.8	10.9	40.7
2	17.0	29.1	15.6	29.7
3	21.4	15.8	21.8	15.4
4	23.7	8.4	23.3	8.4
5	25.8	5.9	28.3	5.8

- Statistics for outcome variables were estimated, within each propensity stratum, for YO target areas from baseline and follow-up YO surveys.
- Within each propensity stratum, we used the ACS as a source for estimating statistics for outcome variables in areas with no YO programs. We used the ACS for 2001 to match the baseline YO survey’s time period and combined ACS estimates for years 2003 and 2004 to match the YO follow-up survey’s time period.
- We estimated change in outcome statistics in YO target areas by differencing the YO-based baseline and follow-up estimates. We estimated change in outcome statistics in the comparison areas by differencing the ACS-based baseline and follow-up estimates.
- We estimated the impact of YO grants on outcome measures (the “YO effect”) as the difference between the change in comparable YO and non-YO estimates. YO effect estimates were calculated for each propensity stratum. These estimates were then combined to produce overall estimates of the YO effect, using weights equal to the inverse of the variance for each stratum estimate. This maximizes the precision of the overall estimate.³⁵

³⁵ Because of data limitations, we have not attempted to produce national estimates for YO effects. Specifically, since the YO sites were not a random sample of the nation’s impoverished areas, there was no weighting scheme to generate valid national impact estimates. For this reason, we decided to test whether YO effect estimates varied by propensity stratum, and whenever they did, we commented on estimates by stratum. In effect, we found that YO impacts varied according to propensity stratum. Using weights proportional to the relative size of strata would have tilted the estimates towards the low-propensity strata because most of the comparison data had low propensity for being selected. We did not believe that would have been a good summary of findings. We chose inverse variance weights for averaging the YO effect estimates—not because they would provide a better national estimate, but because they provided a summary of the stratum-specific estimates with optimal precision.

- Design-based variance estimates and confidence intervals were generated for all statistics.
- We calculated outcome and change statistics and YO effect estimates for outcome measures by selected demographic factors: age group, race or ethnicity, and gender. We did not use educational status in this analysis.
- We assessed YO effect estimates for statistically significant differences across propensity strata and by demographic subgroup.

Table 3–15 describes the key outcome measures analyzed in this comparison study. These measures are related to employment and education. YO programs focus on improving employment and education outcomes for young people. If the YO programs are effective, we expect that effectiveness to be evident in the outcome measures. For example, we would expect to see the employment rate increasing for youths in YO sites compared with youths in non-YO tracts, and school enrollment and educational-attainment levels increasing for youths in YO sites compared with youths in non-YO tracts.

The last outcome measure in Table 3–15 combines the rate of employment and the rate of school enrollment. Employment and school enrollment are both positive outcomes; however, a decrease in the rate of employment may not be a negative outcome, if there is an equal or greater increase in the rate of school enrollment. The combined measure tells us the percentage of young people who have positive outcomes (in employment or in school) and whether this percentage increases between baseline and follow-up for YO tracts relative to non-YO tracts.

Table 3–15. Outcome Measures Used in the Comparison Analysis

Outcome Area	Outcome Measure	Description
Employment	Labor force participation rate	The percentage of the target-age population in the labor force
	Employment-to-population ratio	The percentage of the population that are employed
	Unemployment rate	The percentage of those in the labor force, that are unemployed
Education	Highest schooling level completed	1 = 10th grade or less 2 = 11th grade 3 = 12th grade 4 = High-school graduates and those with less than one year but at least some college 5 = One or more years college
	School-enrollment status	1 = Not in school 2 = In secondary school 3 = HS graduate not in college 4 = HS graduate in college
Combined	Rate employed or enrolled	The percentage that are either employed or enrolled in school (school-enrollment status = 2 or 4).

Note that earnings measures have not been included in the comparison analysis because there was no suitable source of data on hourly or weekly earnings for youths in non-YO tracts to use as a comparison for the results of the YO study.

Comparison of Changes in YO Target Areas and Census-Tract Groupings

We estimated the impact of YO programs, also referred to as YO effects, on key youth-education and employment outcomes by calculating the change in these outcomes between baseline and follow-up surveys, for target age youths in groups of tracts in YO sites. We then compared this change with the change in outcomes derived from ACS data for comparable groups of tracts not in YO sites. The difference between these two estimates of outcome provides a measure of the impact of the YO programs on the outcome of interest. We calculated these differences within a propensity group (stratum) and then aggregated them to produce overall estimates.

As an example, the labor-force participation rate for 19-year-olds in YO sites, in propensity group 1, was estimated to be 77.3 percent at baseline and 76.1 percent at follow-up—a decrease of 1.2 percentage points. Comparable results for 19-year-olds in non-YO tracts were 67.6 percent at baseline and 64.7 percent at follow-up—a decrease of 2.9 percentage points. The YO effect is estimated as an increase of 1.7 percentage points (-1.2 minus -2.9). That is, we estimate that the presence of YO programs in this propensity group increases the labor-force participation rate among 19-year-olds by 1.7 percentage points (see Appendix 6F, Tables F-1 to F-4).

For each of the 13 outcome measures defined in Table 3-15, we estimated the YO effect for demographic subgroups (by age, race/ethnicity, and gender). We calculated these estimates by propensity group and, within each propensity group, by age, race/ethnicity, and gender.

YO effects on many outcomes may, however, not vary by amounts that are statistically significant by propensity group, by demographic subgroup, or by either. This chapter focuses on YO effects that are statistically significant—that is, where the effects are greater across demographic subgroups than would be expected from normal statistical variability. However, all YO effect estimates, whether statistically significant or not, are included in Appendix 6E.

In the following sections, we present YO effect estimates for each outcome measure at the overall level and then statistics from heterogeneity tests. The heterogeneity statistics tell us whether there is a significant variation in the YO effect on an outcome, either from one demographic subgroup to another, or from one propensity group to another. Any significant variation suggests that we should look at finer-level estimates to understand where the differences are occurring. We then present YO effect estimates by demographic subgroups and propensity groups. We focus on subgroup estimates for which there is significant variation (as indicated by the heterogeneity statistics).

Overall Estimates of the Impact of YO Programs

Table 3-16 presents overall estimates of YO effects on the 13 outcome measures outlined in Table 3-15. The YO effect on an outcome is determined by comparing the change in that outcome between 2001 and 2004 at YO sites to the change at comparable non-YO census tract groups.

The estimates presented in the tables in this report are percentage-point estimates. A positive estimate in the tables for a given outcome indicates that the presence of YO programs increases that outcome by the value of the estimate (number of percentage points), relative to the change in outcome in non-YO sites. The converse is true for a negative estimate. However, a YO effect

estimate is not statistically significant if the lower and upper 95-percent confidence limits presented in the table contain 0. Statistically significant results are identified with an asterisk.

Table 3–16. Overall Percentage-Point Estimates of YO Effect on Outcomes

Outcome Group	Outcome Measure	Estimate	95% Confidence Limits	
			Lower	Upper
Combined measure	Rate employed or enrolled	0.58	-0.48	1.63
Employment	Labor force participation rate	0.31	-1.79	2.41
	Employment to population ratio	-1.40	-3.30	0.49
	Unemployment Rate	2.49	-0.12	5.10
Highest education	10th grade or less	-1.20	-2.91	0.51
	11th grade	1.56*	0.04	3.08
	12th grade	0.56	-0.43	1.54
	High-school graduate, or less than one year (but at least some) college	-1.94	-4.99	1.11
	One or more years of college	1.24	-1.75	4.23
School enrollment	Not in school	-1.20*	-2.11	-0.28
	In secondary school	1.66*	0.69	2.63
	HS graduate not in college	0.26	-1.91	2.43
	HS graduate in college	0.32	-2.46	3.10

* Estimate is significant at the 5% level. Lower and upper 95% confidence limits are either both positive or both negative.

In Table 3–16, three educational outcome measures show evidence of a significant YO effect overall. We estimate that, between 2001 and 2004, YO programs increased the percentage of youths with eleventh-grade education by 1.56 percentage points, reduced the percentage not in school by 1.2 percentage points, and increased the percentage in secondary school by 1.66 percentage points.

These results are consistent with what we would expect to see from an effective YO program. There is an increase in the level of educational attainment, and there are more young people staying in school.

Although, for most outcomes, the YO programs did not have a significant effect at the overall level, the programs may have significant effects on some of these outcomes for certain subgroups of the population. Outcome measures for which there is significant variation (or heterogeneity) in the YO effect, when compared across categories of a demographic subgroup, are discussed in the following sections, regardless of whether the effect is identified as significant in Table 3–16.

Testing for Heterogeneity

By testing YO effects for heterogeneity, we can determine whether the presence of YO programs has a similar effect on an outcome across all categories of demographic subgroups or propensity groups—for example, for youths of all four ethnic backgrounds (Black, not Hispanic; Hispanic; White, not Hispanic; other). If the effects are similar, then we can produce overall YO effects for all categories combined, and there is little value in analyzing the effects for individual categories.

For example, if the YO effect is similar (homogeneous) across all age groups, then there is little benefit in examining individual age groups separately. However, if the YO effects differ significantly across categories (that is, there is heterogeneity), then it is worth looking at how the effects vary across categories and trying to understand what might be causing this variation.

Table 3–17 presents Chi-square (χ^2) test statistics for three types of homogeneity hypotheses. These statistics assess the heterogeneity of YO effects. In the table, numbers that show evidence of heterogeneity are marked with one or more asterisks.

We tested for heterogeneity—that is, for significant variation in the effects of the presence of YO programs on an outcome measure—for the following three scenarios:

- **Between demographic subgroup categories.** This test determined whether the YO effects differ significantly between the categories of age, race/ethnicity, or gender. For example, in Table 3–17, the “between demographic subgroup” chi-square value for labor-force participation rate by gender is 4.73, with one degree of freedom, which is significant. This means that there is heterogeneity between males and females—that is, the YO effects on labor-force participation rate are significantly different for males and females.
- **Between propensity groups or strata.** This test determined whether the YO effects differ significantly across propensity groups, within individual categories of age, race/ethnicity, or gender. For example, in Table 3–17, the “between propensity group” chi-square value for unemployment rate by age is 37.57, with 24 degrees of freedom, which is significant. This means that there is heterogeneity between propensity groups, so the YO effects on unemployment (for at least some individual ages) are significantly different across propensity groups.
- **Overall.** To get an overall measure, we combine the “between demographic subgroup” and “between propensity group” tests for the presence of heterogeneity. The overall chi-square statistic and degrees of freedom are calculated as the sum of the respective between-group values. This measure tells us whether the variation we are observing in the YO effects, both between subgroup categories and between propensity groups, can be reasonably explained by statistical variation or whether it is evidence of real differences in YO effects.

In Table 3–17, heterogeneity statistics are presented for each outcome variable and demographic subgroup (age, race/ethnicity, and gender). If heterogeneity is present for a particular outcome variable and demographic subgroup, further analyses is performed in a later section.

Table 3–17. Assessing the Difference (Heterogeneity) in YO Effects between Demographic Subgroups, between Propensity Groups, and Overall

Outcome Measure	Demographic Subgroup	Between Demographic Subgroups		Between Propensity Groups		Overall	
		Chi-square	DF	Chi-square	DF	Chi-square	DF
Rate employed or enrolled	Age	19.99**	7	32.57	32	52.56	39
	Race/ethnicity	4.32	3	9.66	16	13.98	19
	Gender	2.60	1	2.36	8	4.96	9
Labor force participation rate	Age	3.14	5	17.00	24	20.14	29
	Race/ethnicity	13.20**	3	15.28	16	28.48	19
	Gender	4.73*	1	3.98	8	8.71	9
Employment-to-population ratio	Age	8.52	5	28.92	24	37.43	29
	Race/ethnicity	15.47**	3	13.52	16	29.00	19
	Gender	2.75	1	6.91	8	9.66	9
Unemployment rate	Age	6.61	5	37.57*	24	44.18*	29
	Race/ethnicity	683.00	3	7.90	16	14.72	19
	Gender	0.06	1	4.34	8	4.40	9
10th grade or less	Age	7.03	5	16.90	24	23.93	29
	Race/ethnicity	4.30	3	13.26	16	17.56	19
	Gender	0.83	1	10.74	8	11.57	9
11th grade	Age	10.93	5	26.09	24	37.02	29
	Race/ethnicity	0.46	3	13.48	16	13.94	19
	Gender	0.00	1	5.82	8	5.83	9
12th grade	Age	2.14	3	22.22	16	24.36	19
	Race/ethnicity	0.56	3	27.44*	16	28.00	19
	Gender	0.14	1	11.49	8	11.64	9
High-school graduate or less than one year, but at least some, college	Age	1.23	3	6.48	16	7.70	19
	Race/ethnicity	4.69	3	13.32	16	18.01	19
	Gender	2.55	1	6.02	8	8.58	9
One or more years of college	Age	6.04*	2	8.38	12	14.42	14
	Race/ethnicity	2.73	3	9.86	16	12.59	19
	Gender	1.15	1	2.98	8	4.13	9
Not in school	Age	25.49***	7	28.86	32	54.35	39
	Race/ethnicity	2.16	3	20.54	16	22.71	19
	Gender	0.20	1	3.62	8	3.82	9
In secondary school	Age	33.06***	5	27.12	24	60.18***	29
	Race/ethnicity	15.19**	3	17.57	16	32.75*	19
	Gender	0.25	1	8.39	8	8.64	9
High-school graduate not in college	Age	0.67	3	12.07	16	12.74	19
	Race/ethnicity	10.29*	3	12.08	16	22.37	19
	Gender	5.00*	1	5.75	8	10.75	9
High-school graduate in college	Age	8.94*	3	8.56	16	17.50	19
	Race/ethnicity	0.98	3	8.89	16	9.87	19
	Gender	1.14	1	4.98	8	6.12	9

* = Statistical significance at 0.05; ** = statistical significance at 0.01; *** = statistical significance at 0.001.
DF = degree of freedom.

The “overall” column in Table 3–17 shows overall heterogeneity in the YO effects for the following outcome and demographic subgroup combinations:

- unemployment rate by age
- the percentage of young people in secondary school, by age and race/ethnicity

This tells us that the YO effects on these outcomes show significant variation, either across different categories of the demographic subgroup (for example, individual ages), or across propensity groups, or both. These variations are investigated further in a later section.

The “between demographic subgroups” in Table 3–17 shows significant variation in the effect of YO programs between demographic subgroup categories for some outcome measures.

Table 3–18 summarizes the outcome measures for which the YO effect differs by subgroup.

Table 3–18. Summary of Outcome Measures for Which YO Effect varies by Demographic Subgroup

Demographic Subgroup	Outcome Measure
Age	<ul style="list-style-type: none"> • Rate employed or enrolled • Percentage with one or more years of college • Percentage not in school • Percentage enrolled in secondary school • Percentage of high-school graduates in college
Gender	<ul style="list-style-type: none"> • Labor force participation rate • Percentage of high-school graduates not in college
Race/ethnicity	<ul style="list-style-type: none"> • Labor force participation rate • Employment to population ratio • Percentage enrolled in secondary school • Percentage of high-school graduates not in college

The YO effects on the outcome measures in this table vary significantly between different categories of the corresponding demographic subgroup. For example, the YO effect on the percentage of young people not in school depends significantly on age. These variations are investigated further in the next section.

The “between propensity groups” column in Table 3–17 shows heterogeneity in the effect of YO programs between propensity groups for two outcome and demographic-subgroup combinations:

- unemployment rate by age
- percentage with twelfth grade as highest education, for race/ethnicity

The YO effect on the unemployment rate for individual age categories (for example, 16-year-olds) varied significantly across propensity groups. These variations are investigated further in a later section entitled YO Effect Estimates by Propensity Group.

YO Effect Estimates, by Demographic Subgroup

This section looks in more detail at how the effect of YO programs varies across the different demographic subgroup categories. First, we look at the change in outcome measures by age, then, by race/ethnicity, and then, by gender.

For each subgroup, we discuss the three outcomes for which the YO programs were found to have a significant effect overall: the percentage with eleventh-grade education, the percentage not in school, and the percentage in secondary school. Then, we discuss those outcome measures for which there was no significant overall YO effect, but which did exhibit heterogeneity in Table 3–17.

Although, in the absence of heterogeneity, it is not necessary to explore more disaggregated estimates, variation related to demographic subgroups may still be somewhat informative. For the sake of completeness, we have included all disaggregated estimates in Appendix 6E. The 13 tables in Appendix 6E present estimates of the YO effect for each outcome measure, by propensity group and demographic subgroup.

YO Effects on Outcome Measures, by Age

Table 3–19 presents the estimated effects of YO programs on outcome measures, by grouped age. The outcome measures for which there was significant variation (heterogeneity) in the YO effects, depending on age, are shaded in the table.

The original analysis was done by individual ages; however, these individual ages have been grouped to correspond with age groups presented elsewhere in this report. YO effect estimates for individual ages are included in Appendix 6B. The methods used to calculate the grouped age estimates and their variances are explained in Appendix 6A.

In Table 3–19, there are some estimates for which not all ages contribute. Only three outcomes are relevant to 14- to 15-year-olds. Also, no YO effect is calculated for 16- to 18-year-olds with one or more years of college. However, for the 16- to 18-year age group, some outcomes are derived only from 18-year-olds. Similarly for the 19- to 21-year age group, the percentage in secondary school is derived only from 19-year-olds.

Table 3–19. Estimates of YO Effect on Outcomes, by Age

Outcome Group	Outcome Measure	Age group		
		14–15 years	16–18 years	19–21 years
Combined measure	Rate of employment or school enrollment	NA	4.99*	0.15
Employment	Labor-force participation rate	N/A	1.34	–0.67
	Employment-to-population ratio	N/A	–0.67	–3.39*
	Unemployment rate	N/A	0.42	3.68*
Highest education	10th grade or less	N/A	–0.10	–3.07*
	11th grade	N/A	3.35*	1.78
	12th grade	N/A	–0.25	0.67
	High-school graduate or less than one year, but at least some, college	N/A	–2.69	–1.60
	One or more years of college	N/A	N/A	2.39
School enrollment	Not in school	0.33	–5.02*	–5.17*
	In secondary school	0.11	7.49*	4.44*
	High-school graduate not in college	N/A	0.77	–0.22
	High-school graduate in college	N/A	–4.83*	2.98

* Estimates with 95% confidence interval that excludes 0.0.

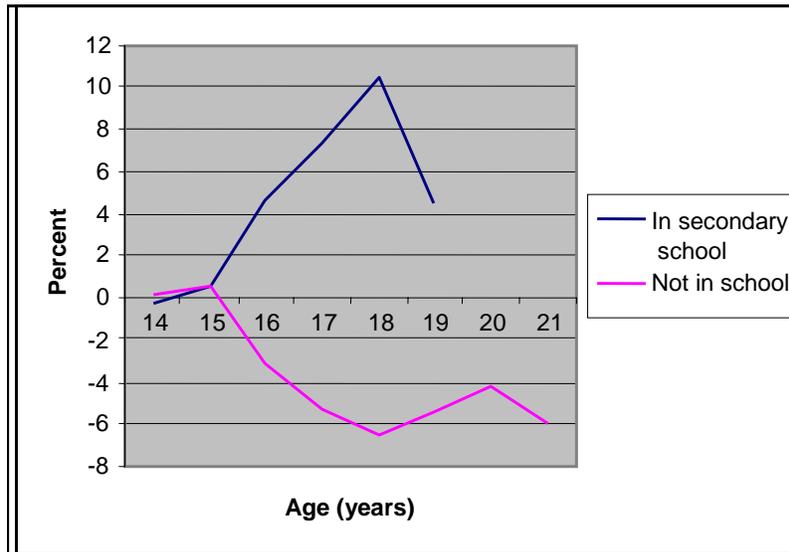
■ Outcomes for which there is significant heterogeneity.

Italics indicate outcomes that were derived from only one age in an age group.

Of the three outcome measures for which overall YO effects were identified in Table 3–16 as being statistically significant (that is, respondents with an eleventh-grade education, not in school, or in secondary school), only the percentage not in school and percentage in secondary school varied significantly by age, though this variation is hidden somewhat by grouping ages together. Table 3–19 shows that the YO programs had a significant effect in decreasing the number of young people not in school and in increasing the number in secondary school for both of the older age groups. It is not surprising that the YO effect on the 14- to 15-year-olds is not significant because the percentage in school at both waves was close to 100 percent.

Figure 3–4 displays YO effect estimates of percentage not in school and percentage in secondary school by individual age (for source data, see Appendix 6B, Table 6B–1). The figure shows that YO effects were largest at age 18 and were nearly 0 (and not significant) at ages 14 and 15. The YO effects are expressed as percentage-point changes. The estimates for 20- and 21-year-olds in secondary school have not been calculated.

Figure 3–4. Estimated YO Effect on Percentages Not in School and in Secondary School between 2001 and 2004, by Age

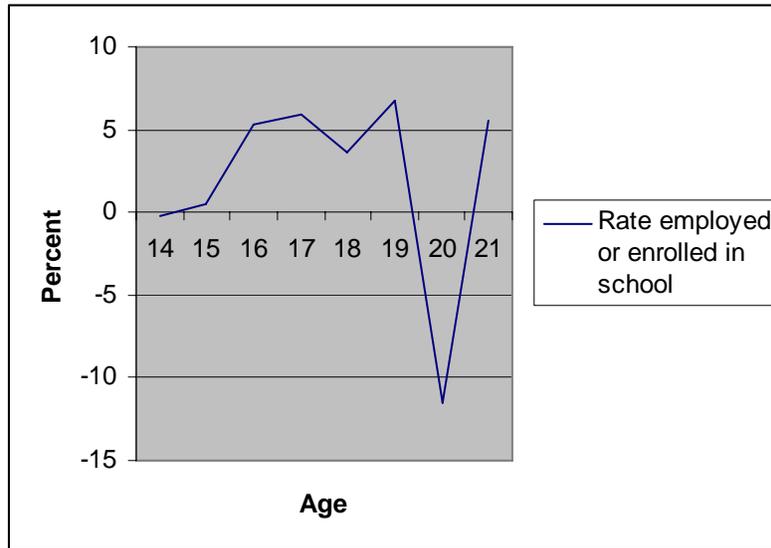


The unemployment rate, the rate employed and enrolled, the percentage with one or more years of college, and the percentage of high-school graduates in college (shaded in Table 3–19) exhibited some heterogeneity in the YO effects by age, although the corresponding overall YO effect estimate was not found to be statistically significant.

The YO effect on the unemployment rate varies from a decrease of 4.0 percentage points for 16-year-olds to an increase of 8.5 percentage points for 20-year-olds. For the other ages, the YO effect is a small, nonsignificant increase in the unemployment rate. The heterogeneity stems from the unusual result for 20-year-olds (see Appendix 6B, Table 6B–1).

Figure 3–5 displays YO effects for the rate employed or enrolled in school, by age (for source data, see Appendix 6B, Table 6B–1). This graph shows that the heterogeneity in the YO effects is due to an anomalous result for 20-year-olds. Excluding this unexplained result, the results for other ages indicate that the YO programs are having a positive impact on employment and education outcomes across age groups.

Figure 3–5. Estimated YO Effect on Rate of Employment or Enrollment in School between 2001 and 2004, by Age



The percentage with one or more years in college had a statistically significant YO effect of 7.19 percentage points at age 21 and smaller, nonsignificant, values at ages 19 and 20.

The percentage of high-school graduates in college had a statistically significant YO effect of 6.55 percentage points at age 21, smaller and nonsignificant values at ages 19 and 20, and a statistically significant value of -4.83 at age 18 [see Table 6B–1 in Appendix 6B]. We can conclude from these results that the YO programs appear to be having a positive impact on the percentage of 21-year olds in college. An explanation for the negative impact (reduction in the percentage) for 18-year-olds who are high-school graduates in college is not readily apparent.

YO Effects on Outcome Measures, by Race or Ethnicity

Table 3–20 presents the estimated effects of YO programs on outcome measures, by race/ethnicity. We discuss the outcome measures for which there was significant variation, or heterogeneity, in the YO effects depending on the race/ethnic group. These outcome measures are indicated by shading in the table.

Of the three outcome measures for which overall YO effects were identified in Table 3–16 as being statistically significant, only percentage in secondary school varied significantly by race/ethnicity.

There was a significant variation in the effect of YO programs on the percent in secondary school between the race/ethnicity groups. The largest impact on enrollment in secondary school was an increase for Hispanics of 9.54 percentage points.

Table 3–20. Estimates of YO Effect on Outcomes by Race or Ethnicity

Outcome Group	Outcome Measure	Race/Ethnic Group			
		White**	Black**	Hispanic	Other
Combined Measure	Rate employed or enrolled	-9.72	3.10	4.04	-1.76
Employment	Labor force participation rate	-6.94*	4.60*	-2.17	-4.04
	Employment-to-population ratio	-9.08*	2.73	-4.53*	-7.02
	Unemployment Rate	5.68	-2.05	5.18*	7.92
Highest Education	10th grade or less	1.63	-3.78*	0.58	0.32
	11th grade	2.89	2.59*	3.63*	2.49
	12th grade	0.05	0.16	-0.10	-0.40
	High school graduate or less than one year, but at least some, college	-2.15	0.19	-3.89*	-0.76
	One or more years of college	-3.85	0.88	-0.76	-0.41
School Enrollment	Not in school	-2.78	-2.54*	-5.32*	-2.26
	In secondary school	5.42	0.44	9.54*	4.81
	HS graduate not in college	-0.67	1.81	-3.12*	-1.77
	HS graduate in college	-3.87	-0.12	-0.63	0.45

* Estimates with 95% confidence interval that excludes 0.0.

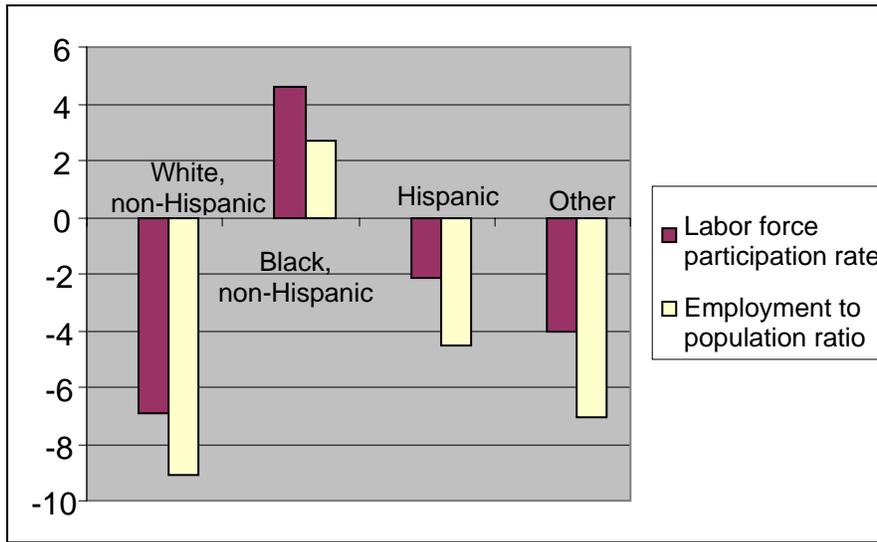
** Hispanics excluded.

■ Outcomes for which there is significant heterogeneity.

Other outcome measures (shaded in Table 3–20) exhibited some heterogeneity in the YO effects by race/ethnicity, although the corresponding overall YO effect estimate was not statistically significant. These outcomes are labor-force participation rate, employment-to-population ratio, and the percent of high-school graduates not in college. The estimated YO effect varied significantly by race/ethnicity for these three outcome measures.

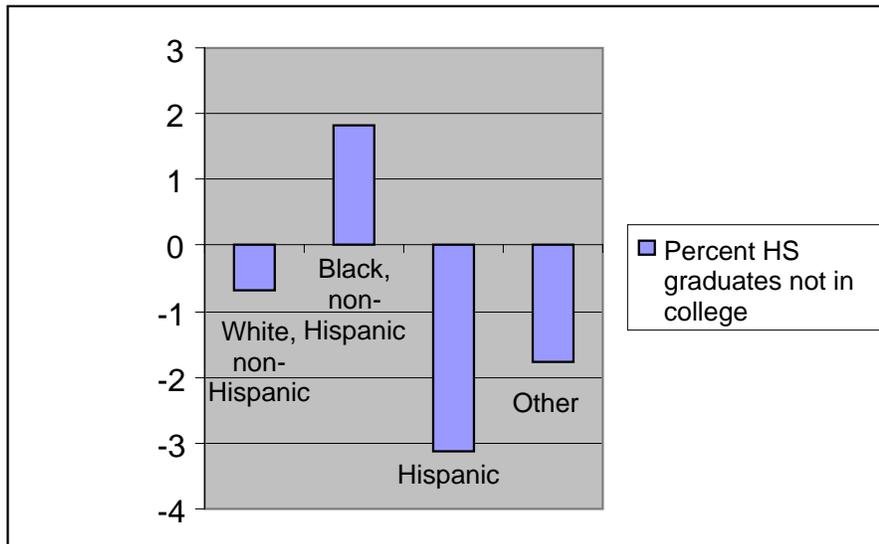
For non-Hispanic Whites, for Hispanics, and for others, YO programs led to a decrease in both the labor-force participation rate and employment-to-population ratio; however, for non-Hispanic Blacks, there was an increase in both of these outcome measures due to the YO programs. These estimates are shown in Figure 3–6. One possible reason for the negative results for three of the groups is that there is a corresponding increase in the percentage in secondary school for these groups. However, there is also an increase in the unemployment rate for youths in YO sites, relative to those in non-YO sites.

Figure 3–6. Estimated YO Effect on Labor-Force Participation Rate and Employment-to-Population Ratio between 2001 and 2004, by Race and Ethnicity



YO programs led to a decrease in the percent of high-school graduates not in college for non-Hispanic Whites, for Hispanics, and for others, but an increase for non-Hispanic Blacks (see Table 3–20). These estimates are shown in Figure 3–7. Only the result for Hispanics was statistically significant.

Figure 3–7. Estimated YO Effect on the Percentage of High-School Graduates Not in College between 2001 and 2004, by Race and Ethnicity



YO Effects on Outcome Measures, by Gender

Table 3–21 presents the estimated effects of YO programs on the outcome measures, by gender. We discuss the outcome measures that have significant variation (heterogeneity), which are indicated by shading in the table.

Table 3–21. Estimates of YO Effect on Outcomes by Gender

Outcome Group	Outcome Measure	Gender Group	
		Male	Female
Combined Measure	Rate employed or enrolled	4.60	–1.29
Employment	Labor force participation rate	2.68	–2.74
	Employment-to-population ratio	–0.85	–4.74*
	Unemployment rate	3.53	4.30*
Highest Education	10th grade or less	–0.43	–2.43
	11th grade	2.99*	3.08*
	12th grade	–0.02	0.20
	High school graduate or less than one year, but at least some, college	–2.90*	–0.25
	One or more years of college	0.43	–1.03
School Enrollment	Not in school	–3.40*	–4.16*
	In secondary school	5.16*	4.11*
	HS graduate not in college	–1.89*	0.98
	HS graduate in college	0.63	–1.16

* Estimates with 95% confidence interval that excludes 0.0.

■ Outcomes for which there is significant heterogeneity.

None of the three outcome measures for which overall YO effects were identified in Table 3–9 varied significantly by gender.

Two outcome measures—labor-force participation rate and the percentage of high-school graduates not in college (both shaded in Table 3–21)—exhibited some heterogeneity in the YO effects by gender, although the corresponding overall YO effect estimate was not statistically significant. The estimated YO effect varied significantly by gender for these two outcome measures. The effect of the presence of YO programs on labor-force participation rate was positive for males (2.68 percentage points) and negative for females (–2.74 percentage points). For high-school graduates not in college, it was negative for males (–1.89 percentage points) and positive for females (0.98 percentage points).

YO Effect Estimates by Propensity Group

We tested for the presence of heterogeneity and identified outcomes for which the YO effect varied depending on the propensity group. Census tracts were assigned to propensity groups according to their probability of being selected as a YO site, on the basis of a range of Census variables. Propensity group 1 contains census tracts that are least likely to be selected for YO, while propensity group 5 contains those tracts most likely to be selected for YO.

We expected that the YO outcome levels would differ by propensity group, and the tables in Appendix 6F show evidence to confirm our expectations. For example, Table 6F3–1 in the Appendix shows that the unemployment rate for YO tracts at baseline increases as the propensity group moves from stratum 1 to stratum 5. However, it was not clear whether the influence of the YO programs (the YO effect) would differ across groups with differing poverty levels. In fact, we found that for the majority of the outcome measures, the YO effect did not show significant heterogeneity across these propensity groups. This finding indicates that, for the most part, the YO programs worked or did not work the same way across the range of target-area differences that the quintiles represented. However, two outcome measures exhibited heterogeneity in the YO effects by propensity group: percentage in secondary school and unemployment rate.

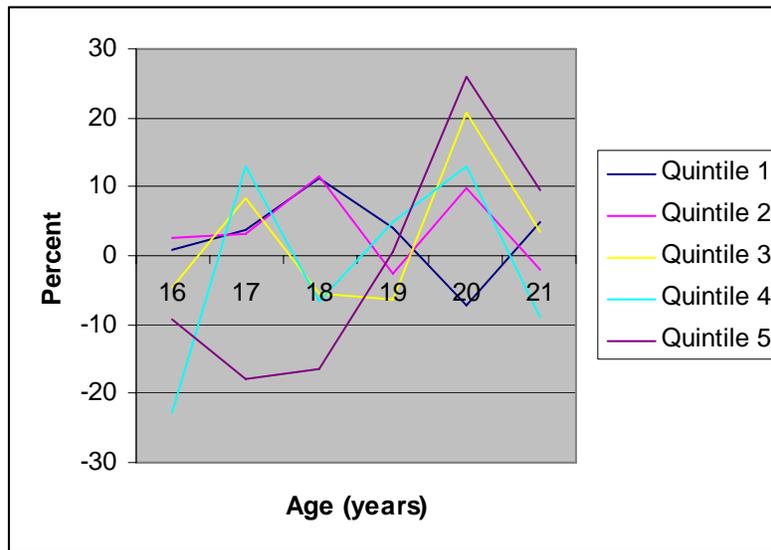
Of the three outcome measures for which overall YO effects were identified in Table 3–17 as being statistically significant, only the percentage in secondary school varied significantly by propensity group.

The YO effect on the percent in secondary school varied markedly by propensity group, but without any overall pattern, in all four race/ethnicity groups: for non-Hispanic whites, the YO effect ranged from –4.95 to 13.58 percentage points across the five propensity groups. For non-Hispanic Blacks, it ranged from –4.22 to 4.02 percentage points; for Hispanics, between 1.93 and 13.52 percentage points; for others, between –10.46 and 13.57 percentage points. The full set of results for this outcome measure is presented in Appendix 6E, Table 6E–11.

Unemployment rate by age also exhibited some heterogeneity in the YO effects. That is, the estimated YO effect on the unemployment rate within age groups varied significantly by propensity group. This variation can be seen in Appendix 6E, Table 6E–4. Figure 3–8 displays the unemployment rate by age for the propensity groups.

We note from Table 3–16 that the 95-percent confidence limits of the YO effect on unemployment rate (–0.12 percent and 5.10 percent), included 0, which indicates that the estimate was not statistically significant at the 5-percent level. The figure shows that adverse (positive in direction) YO effects were large for 20-year-olds in propensity groups 2 to 5.

Figure 3–8. Estimated YO Effect on the Unemployment Rate, by Propensity Group and by Age, between 2001 and 2004



Weaknesses of This Approach

We recognize that using different data sources to generate an estimate for a comparative outcome threatens the validity of this analysis, but in the absence of a common estimate to use, we had to use two data sources. As a result, we encountered problems: there were discrepancies between YO and ACS estimates for employment statistics and between ways that the two data sources made use of proxies. However, we conclude that the impact of the different employment estimates across the two data sources is likely minimal.

Differences between YO and ACS labor-force participation estimates. On the basis of YO surveys, we estimated that in 2001, about 31 percent of youths in YO sites were not in the labor force. The comparable figure based on ACS was about 50 percent. Employment estimates for YO were 40 percent and for ACS were 36 percent; unemployment estimates were 29 percent for YO and 14 percent for ACS:

Table 3–22. Wave 1 YO and ACS Population Distributions by Employment Status

Employment Status	YO	ACS
Employed	40%	36%
Unemployed	29%	14%
Not in Labor Force	31%	50%
Total	100%	100%

Table 3–23 displays, by age, the proportion of the nonworking population that is *not* in the labor force. (Nonworking population was defined as all unemployed youths *in* the labor force plus youths *not* in the labor force). In both waves, the percent of youths not in the labor force among nonworking youths was much lower (51 percent) in Census tracts with YO programs (when estimated from YO surveys) than across all Census tracts, as estimated from ACS surveys

(76 percent). This difference may be due to differences in the neighborhoods themselves or to differences in the measurement techniques from the two surveys. The YO-ACS discrepancy between these percentages was present regardless of age. The discrepancy was observed for males and females and for the four racial-ethnic groups used in this study (non-Hispanic White, non-Hispanic Black, Hispanic, other). Although the percentage was higher for youths enrolled in school (59 percent) than for youths not enrolled (39 percent), both estimates were much lower than the percent estimated from ACS (76 percent). At this time, we had no ACS estimates by school-enrollment status.

Table 3–23. Proportion of Nonworking Population Not in the Labor Force, by Wave, Age, and Survey

Age	Wave 1		Wave 2	
	YO	ACS	YO	ACS
16	0.59	0.90	0.60	0.90
17	0.59	0.86	0.57	0.86
18	0.51	0.76	0.49	0.74
19	0.46	0.73	0.47	0.72
20	0.46	0.66	0.45	0.69
21	0.47	0.66	0.45	0.66
All	0.51	0.76	0.51	0.76

While YO and ACS estimates for being employed are roughly comparable, ACS places those who are not working in the “not in the labor force” category more frequently than YO does.

Use of proxies for obtaining labor force participation data. In YO, the reported percentage of respondents not in the labor force was higher (38 percent) when the information was provided by a proxy than when it was self reported (24 percent), as shown in Table 3–24. In contrast, estimates of being employed were slightly lower, and estimates of being unemployed in the labor force were substantially lower (26 percent) when reported by a proxy than the comparable self-reported percents—42 percent and 37 percent, respectively. The proxy/self-report differential persists by race/ethnicity, sex, and age, although it diminishes with increasing age.

Table 3–24. Wave 1 YO Distribution of Employment Status by Source of Information

Source of Data	Employed	Unemployed	Not in Labor Force
Proxy	37%	26%	38%
Self-report	42%	35%	24%

We do not have ACS data by reporting source, and we believe that such information is not readily available, if it is available at all. However, ACS is a household survey, and the ACS informant is usually the head of household. We think that the ACS household informant would rarely be a teen. We also think that except for a small number of the older group, most responses for 16- to 21-year-olds are probably obtained from proxies in ACS. In YO, nearly 40 percent of the responses are self reported.

When combined, the following two facts partially explain the ACS/YO differential between estimates of the percentage not in the labor force:

- Proxies are more common in ACS than in YO.
- In YO, proxies over-report labor-force nonparticipation compared to self reports.

It is likely that the YO estimates of the percentages of youths unemployed and not in the labor force are more accurate than those from the ACS data for the reasons cited above.³⁶ However, it is not clear what the impact on the results of this analysis would be if the ACS estimates of the percentages unemployed and not in the labor force were more in line with YO results. However, as long as the self-report share of respondents does not change significantly over time, it should have no impact on the results.

YO Impacts Based on Analysis of the CPS High-Poverty Central-City Neighborhoods

In this section, we use an alternative comparison-group approach to examine the impact of YO on youths in the YO communities. First, we present a rationale for the use of high-poverty neighborhoods as an appropriate method for this comparison. Then, we present the results of using that comparison group in our analysis.

Overview of Methods That Use Youths in Central-City, High-Poverty Neighborhoods as a Comparison Group

In the approach used to conduct this analysis, we examined the experiences of 16- to 21-year-olds living in high-poverty neighborhoods of central cities across the nation in April 2000–March 2001 and in April 2003–March 2004. These high-poverty neighborhoods consisted of Census tracts with a 20-percent or higher poverty rate at the time of the 1990 Census. Chapter 2 contains more details about this approach. In summary, we compared changes in a variety of labor-force behaviors, employment and unemployment rates, and school-enrollment behaviors of residents of these high-poverty neighborhoods over the April 2000–March 2004 period to changes taking place among 23 urban³⁷ YO target-area youths over the same period to generate estimates of program impacts. This impact-evaluation technique is known as a difference-in-differences method.

For example, if the change in the employment rate (E/P ratio) for youths in the urban YO target area was +2 percentage points while the change in the E/P ratio for comparison group youths in the central-city high-poverty neighborhoods was –3 percentage points over a similar time period, then the estimated impact of the program on the E/P ratio would be $+2 - (-3) = +5$ percentage points. A t-test of the significance of the difference in differences is conducted in which the estimated value of the impact is divided by its associated standard error. Two-tailed t-tests are used to conduct these significance tests. All impacts that are significant at the .01 or .05 levels are identified with a set of asterisks. The impact analysis is conducted for the entire population of 16- to 21-year-olds and for members of 11 demographic and school-enrollment subgroups.³⁸

To ensure that there was comparability between the groups that we compared with this approach, we conducted comparisons of the demographic and socioeconomic characteristics and the school

³⁶ National research in earlier years has shown that interviews with youths tend to yield higher unemployment rates than interviews with adult proxy respondents. See Richard Santos, “Measuring the Employment Status of Youth: A Comparison of the Current Population Survey and the National Longitudinal Survey,” *Proceedings of the Thirty-Third Annual Meetings*, Industrial Relations Research Association, Madison, Wisconsin, pp. 62–68.

³⁷ This analysis included all of the urban YO sites except Washington D.C.

³⁸ Appendix 7 contains the standard errors of the differences for labor market and education outcomes for this high-poverty central city neighborhood analysis.

enrollment/employment status of 16- to 21-year-old residents of the YO target areas and the CPS central-city high-poverty neighborhoods at the time of the baseline surveys. We used youth-employment surveys conducted by DIR and Westat in the urban YO communities and the CPS household surveys conducted by the U.S. Census Bureau for the U.S. Bureau of Labor Statistics. To identify the closeness of key demographic and socioeconomic traits of both groups, we compared findings from the YO youth surveys and CPS household surveys for the 2000–2001 period. Findings in Table 3–25 pertain only to those residents who were 16 to 21 years old at the time of the baseline surveys.³⁹ The estimated population of 16- to 21-year-olds in the YO target areas at the time of the baseline surveys was slightly over 102,000 versus nearly 2.5 million such youths in the civilian noninstitutional population in BLS central-city, high-poverty neighborhoods.

Table 3–25. Comparisons of the Demographic and School-Enrollment Characteristics of 16- to 21-Year-Olds in the Urban YO Sites and Central-City, High-Poverty Neighborhoods at the Time of the Baseline Surveys (in %)

Characteristics	YO Sites	Central-City, High-Poverty Neighborhoods	YO-Urban Neighborhoods
Age			
16–19	68.2	61.8	+6.4
20–21	31.8	38.2	–6.4
Gender			
Men	49.6	48.7	+ .9
Women	50.4	51.3	– .9
Race/Ethnic			
Black, not Hispanic	47.3	37.5	+9.8
Hispanic	40.1	34.4	+5.7
White, not Hispanic	8.4	22.2	–13.8
Other	4.2	5.9	+1.7
Nativity			
Native born	83.4	79.7	+3.7
Foreign born	16.6	20.3	–3.7
School Enrollment			
In school	54.7	50.2	+4.5
Out of school	45.3	49.8	–4.5

Sources: Youth Employment Surveys, 2000–2001; U.S. Bureau of Labor Statistics, special tabulations from the CPS surveys for April 2000–March 2001.

The gender mix of the 16- to 21-year-old population of both areas was nearly identical in the baseline surveys. Women represented a slight majority (50.4 percent and 51.3 percent) in both populations. The YO target-area population contained a higher share of teenagers (16 to 19 years

³⁹ The YO surveys also collected information on target-area residents who were 14 to 15 years old, but our impact analyses are confined to those persons 16 to 21 years old. The CPS surveys do not collect monthly data on the labor-force status or school-enrollment status of persons under the age of 16.

old) than the central-city, high-poverty neighborhoods (68 percent versus 62 percent), but central-city, high-poverty areas contained more young adults (20 to 21 years old).

The distribution of youths by nativity status was similar in both areas: 83 percent of the youths in the YO target areas and 80 percent of youths in central-city, high-poverty neighborhoods were native born. More youths (54 percent versus 50 percent) in YO target areas were enrolled in some type of school program at the time of the baseline survey. The higher school-enrollment rate among YO youths might be attributable to the differences in the classification of the school status of high-school and college students during the summer period in which a substantial share of the YO target area surveys was conducted.⁴⁰ The CPS surveys treat high-school students on summer vacation in July and August as nonenrolled persons lacking a high-school diploma, while the YO survey interviewers tried to identify such students on summer vacation and classify them as high-school students. The true school-enrollment rates of the two groups may well have been statistically identical at the time of the baseline surveys.

The *difference-in-differences* method used in this report to estimate YO program impacts is valid if the traits of the two groups being compared are stable over time and are experiencing similar external labor-market conditions that would be expected to influence their labor-market outcomes independently of the YO program. To identify changes in the demographic composition of 16- to 21-year-olds in the nation's central-city, high-poverty neighborhoods and the YO target areas over the 3-year period, we analyzed the baseline and follow-up surveys for both groups and compared the findings of the baseline and wave 2 surveys for both groups.

Table 3–26 shows findings of changes in the demographic characteristics of youths in the nation's central-city, high-poverty neighborhoods. For each of the four variables examined (gender, age, race-ethnicity, and nativity status), we find little change in demographic characteristics; none of the observed changes were large enough to be statistically significant.⁴¹ The shares of the 16- to 21-year-old population in these neighborhoods by each gender, age, and nativity status did not change by more than 0.3 percentage points. The only group with a share change greater than one percentage point over the 3-year period was Hispanics, whose share of the resident 16- to 21-year-old population rose by 1.2 percentage points (Table 3–26). The demographic profile of the youth population in the nation's central-city, high-poverty neighborhoods was stable between 2000–2001 and 2003–2004.

⁴⁰ The school-enrollment rate of the nation's teens (16 to 19 years old) in July–August 2002 was 39 percent versus an annual average rate of 71 percent. A 32 percentage-point lower school-enrollment rate for all 16- to 19-year-olds for these two months would lower the annual average school-enrollment rate by over 5 percentage points, approximately the same as the difference in school-enrollment rates between these two areas at baseline.

⁴¹ We used a simple, two-tailed t-test of the differences in two sample proportions to conduct this significance test for each of the demographic subgroups.

Table 3–26. Changes in the Demographic Characteristics of 16- to 21-Year-Old Residents of Central-City, High-Poverty Neighborhoods from April 2000–March 2001 and April 2003–March 2004 (in Percent)

Group	2000–2001	2003–2004	Percentage-Point Change
Age			
16–19	61.8	61.5	–.3
20–21	38.2	38.5	+.3
Gender			
Men	48.7	49.0	+.3
Women	51.3	51.0	–.3
Racial-ethnic			
Black, not Hispanic	37.5	37.3	–.2
Hispanic	34.4	35.6	+1.2
White, not Hispanic	22.2	21.3	–.9
Other Races	5.9	5.8	–.1
Nativity			
Native-Born	79.7	80.0	+.3
Foreign-Born	20.3	20.0	–.3

Source: Special tabulations from the CPS household surveys for April 2000–March 2001 and April 2003–March 2004, U.S. Bureau of Labor Statistics, calculations by authors.

We also analyzed changes in the demographic characteristics of the youth population in the YO target areas at the time of the baseline and wave 2 follow-up survey. Key findings are displayed in Table 3–27. The gender composition of the 16- to 21-year-old YO target population was unchanged over this 3-year period. Among the four racial-ethnic groups, Blacks modestly increased their share of the YO population by 2.4 percentage points (approaching significance), while the White, non-Hispanic share declined by just under two percentage points over the same time period. We would not expect this demographic shift by itself to substantively impact labor-market outcome variables. While Black youths clearly were somewhat less likely to be employed than White, non-Hispanic youths at the time of the baseline survey, we would expect a shift of two percentage points in the Black share of the target area’s young-adult population to reduce the overall employment/population ratio of target area youths by only 0.4 percentage points.

Table 3–27. Estimated Changes in the Demographic Characteristics of 16- to 21-sYear-Olds Residing in the YO Target Areas between the Baseline and Wave 2 Follow-up Surveys (in %)

Group	Baseline Survey	Wave II Follow-up Survey	Percentage-Point Change
Age			
16–19	68.2	71.8	+3.6
20–21	31.8	28.2	–3.6
Gender			
Men	49.6	49.6	0.0
Women	50.4	50.4	0.0
Racial-ethnic			
Black, not Hispanic	47.3	49.7	+2.4
Hispanic	40.1	40.0	–.1
White, not Hispanic	8.4	6.5	–1.9
Other Races	4.2	3.8	–.4
Nativity			
Native-Born	83.4	86.1	+2.7
Foreign-Born	16.6	13.9	–2.7

Teens’ (16 to 19 years) share of the YO target area population rose modestly (approaching significance) by 3.6 percentage points.⁴² This increase by itself would have had a modest favorable effect on the overall school-enrollment rate (+1.3 percentage points) and a small negative –0.8 percentage-point impact on the overall employment/population ratio of target area youths.⁴³ Neither of these changes was large enough to be classified as statistically significant.⁴⁴ Overall, with the sole exception of the increased share of teens in YO areas, we would not expect demographic changes in YO target areas and central-city, high-poverty neighborhoods to have substantive effect on changes in labor-market or schooling outcomes in either of these two areas between the baseline and follow-up periods. There were no “demographic shocks” that would have jeopardized the validity of the difference-in-differences impact method. In following sections, findings on changes in external labor-market conditions in the cities where these neighborhoods were located yield similar conclusions of no differential labor-market shocks between these groups of neighborhoods.

In addition to collecting information on the demographic and socioeconomic characteristics and school-enrollment status of target area youths at the time of the baseline survey, the Youth Employment Surveys also collected information on their labor force status. Identical labor-force data are available from the CPS household surveys for the baseline period. We used the labor-

⁴² Part of this increase may have been attributable to a greater ease in locating teenagers in the YO areas for the wave 2 interviews. Nationally and in central-city, high-poverty neighborhoods, there was no comparable increase in the teen share of the population over this 4-year period. The U.S. Census Bureau has estimated that the teen share of the 16- to 21-year-old population declined modestly from 67.3 percent to 67.0 percent.

⁴³ These estimated changes in the school-enrollment rate and the E/P ratio of target-area youths reflect the simple impact of the change in the shares of the 16 to 19 and 20 to 21 age groups, holding all E/P ratios and school-enrollment rates constant at their observed 2000 values.

⁴⁴ A t-test of differences between the overall E/P ratios for 16- to 21-year-olds with and without the teen population share increase yielded a t-statistic of only 1.13, well below the critical t-value for significance at the .10 level.

force information to generate estimates of the employment/population ratios at the time of the baseline survey for all 16- to 21-year-olds and for selected demographic and school-enrollment groups of 16- to 21-year-olds in YO target areas and central-city, high-poverty neighborhoods.

The overall E/P ratio for 16- to 21-year-olds in the YO target areas was 39.0 percent (see Table 3–28). This E/P ratio was 13 percentage points, or 25 percent, below the E/P ratio of 52.4 percent for all 16- to 21-year-olds across the nation in 2000.⁴⁵ In the comparison central-city, high-poverty neighborhoods, 16- to 21-year-olds were modestly more likely to be employed than their counterparts in the YO target areas at baseline, at a level approaching statistical significance. Their E/P ratio of 43.2 percent was 4 percentage points higher than that of YO target area youths. The differences in E/P ratios between all central-city high-poverty neighborhood youths and YO target-area youths varied across demographic and schooling subgroups. For both males and females, E/P ratios were 4 percentage points higher in the BLS central-city, high-poverty neighborhoods than in the YO target areas at baseline. The employment rates for most other subgroups in these two areas were closely matched at baseline. There were no significant differences in E/P ratios for any of the three racial-ethnic groups, for teens, or for those enrolled in school. In addition, the impact estimates are not based on comparisons of labor-market and schooling outcomes between these two groups at a point in time but rather on differences in the changes in these outcomes over time. For both groups, there was substantial room for improvement in both labor-market and educational outcomes over time. There is no concern for ceiling effects on any outcome measure.

⁴⁵ The E/P ratios for all 16-21 year olds were estimated with the use of the public use CPS data for each month in calendar year 2000.

Table 3–28. Comparisons of the Employment Rates of 16- to 21-Year-Old Residents of YO Target Areas and Central-City, High-Poverty Neighborhoods, by Demographic Characteristics, at the Time of the Baseline Surveys

Group	YO Target Areas (%)	Central-City, High-Poverty Neighborhoods (%)	Difference (between YO Areas and High-Poverty Neighborhoods)	Standard Error of Difference	Level of Significance
All	39.0	43.2	+4.2	1.37	.01
Age					
16–19	31.9	32.1	+2	1.60	—
20–21	54.4	61.1	+6.7	2.38	.01
Gender					
Men	41.3	45.5	+4.2	1.98	.05
Women	36.7	41.1	+4.4	1.98	.05
Racial-ethnic					
Black, not Hispanic	31.9	32.7	+8	2.17	—
Hispanic	44.2	45.6	+1.4	2.37	—
White, not Hispanic	52.8	58.6	+5.8	3.47	—
Nativity					
Native born	37.6	41.8	+4.2	1.54	.01
Foreign born	46.9	49.1	+2.2	3.24	—
Educational enrollment					
Enrolled in school	32.4	29.7	–2.7	1.82	—
Not enrolled in school	47.0	56.8	+9.8	2.04	.01

— = not statistically significant at .05 level (two-tailed t-test).

Estimated Impacts of YO Programs on Labor Force Participation Rates, Unemployment Rates and E/P Ratios of Target Area Youths

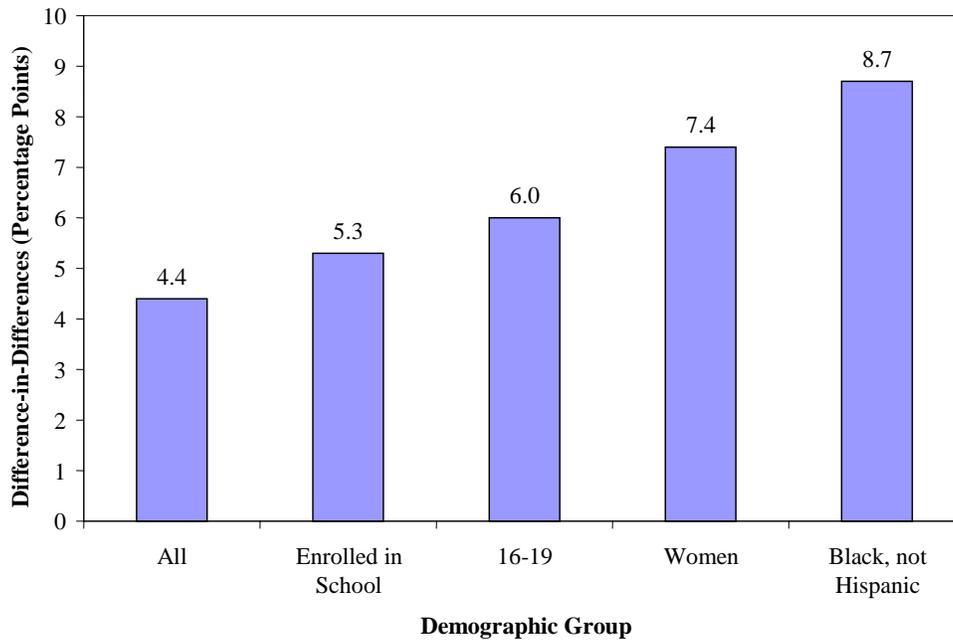
Our first set of impact estimates shows changes in the labor-force participation rates of 16- to 21-year-olds in the YO target area and the CPS central-city, high-poverty neighborhoods (see Table 3–29). Within the 23 YO sites, the participation rate of 16- to 21-year-olds declined by 2.2 percentage points versus a 6.6 percentage-point decline among youths in the comparison group neighborhoods. The estimated impact on the labor-force participation rate based on the difference in differences was a +4.4 percentage points, which was statistically significant at the .01 level. The urban YO programs in the aggregate were able to significantly reduce the steep decline in labor-force attachment that prevailed among 16- to 21-year-olds in the nation’s high-poverty neighborhoods over the 2000–2001 and 2003–2004 time periods. Estimated impacts of YO programs on the participation rates of demographic and school enrollment subgroups varied considerably, ranging from small but statistically insignificant negative impacts for Whites and the foreign-born to large, positive, statistically significant impacts for teens (+6.0), women (+7.4), and Blacks (+8.7). Positive significant impacts were generated for 5 of the 11 subgroups.

Table 3–29. Estimates of the Impacts of Central-City YO Programs on the Labor-Force Participation Rates of Target-Area Youths during the First Three Years of the Demonstration, All 16- to 21-Year-Olds and Selected Demographic and School-Enrollment Groups

Group	Change in Labor Force Participation Rate in YO Sites	Standard Error of Change	Change in Labor Force Participation Rate in BLS High-Poverty Neighborhoods	Standard Error of Change	Difference in Differences (between YO Areas and High-Poverty Neighborhoods)	Standard Error of Difference-in-Differences	t-Statistic
All	-2.2	.7	-6.6	1.3	+4.4***	1.51	2.91
Age							
16–19	-1.6	1.2	-7.6	1.7	+6.0***	2.08	2.88
20–21	-1.9	1.1	-5.1	2.0	+3.2	2.32	1.37
Gender							
Men	-4.6	1.1	-5.9	1.9	+1.3	2.20	.59
Women	.1	1.0	-7.3	1.8	+7.4***	2.06	3.59
Racial-ethnic							
Black, not Hispanic	1.7	1.0	-7.0	2.3	+8.7***	2.51	3.46
Hispanic	-6.0	1.3	-9.3	2.3	+3.3	2.61	1.26
White, not Hispanic	-6.4	2.5	-4.2	3.0	-2.2	3.88	.56
Nativity							
Native born	-1.7	.8	-7.2	1.5	+5.5***	1.69	3.25
Foreign born	-5.7	1.9	-4.1	3.0	-1.6	3.58	.44
Educational enrollment							
Enrolled in school	-1.1	1.1	-6.4	1.8	+5.3**	2.08	2.55
Not enrolled in school	-.3	.8	-3.0	1.8	+2.7	2.00	1.35

***Significant at .01 level; **significant at .05 level; *significant at .10 level.

Figure 3–9. Demographic and School-Enrollment Subgroups of 16- to 21-Year-Olds Whose Labor-Force Participation Rates Were Significantly Raised by the YO Program



Estimates of the impacts of YO programs on the unemployment rates of 16- to 21-year-old residents of the target areas are displayed in Table 3–30. The overall unemployment rate of target area youths rose by 7.4 percentage points over this 3-year period versus an estimated 6.4 percentage-point rise in the unemployment rate of 16- to 21-year-olds in all central-city, high-poverty neighborhoods. The 0.9 percentage-point difference between the unemployment-rate increases of these two groups was not statistically significant. The overall finding here is that YO programs did not have any effect on the unemployment rates of target-area youths relative to the experiences of the comparison group. Both groups encountered similar, significantly higher unemployment rates over this 3-year period.

Only one demographic or school-enrollment group showed significant changes in unemployment rates in the YO areas relative to the comparison group. ISY in the YO areas experienced a significantly higher increase in their unemployment rate than youths in the comparison-group neighborhoods (+6 percentage points). At the time of the wave 2 follow-up surveys, the unemployment rate of ISY in the YO target area was estimated at an extraordinarily high rate of 55 percent.⁴⁶ While school enrollment rates of YO target-area youths significantly increased over the first three years, the findings for their changing labor-force status indicated that many of them would have preferred to combine work and school but were constrained from doing so by a lack of available job opportunities. In contrast to the situation for ISY, YO programs did succeed

⁴⁶ The YO baseline and follow-up surveys yielded sharply higher unemployment rates for youths than the CPS surveys. More of the YO surveys involved interviews with the youths themselves, while CPS surveys were often based on proxy respondents—that is, the mothers of teens and students. National research in earlier years has shown that interviews with youths tend to yield higher unemployment rates than interviews with adult proxy respondents. See Richard Santos, “Measuring the Employment Status of Youth: A Comparison of the Current Population Survey and the National Longitudinal Survey,” *Proceedings of the Thirty-Third Annual Meetings*, Industrial Relations Research Association, Madison, Wisconsin, pp. 62–68.

in reducing the rise in unemployment problems among out-of-school 16–21-year-olds. The estimated unemployment rate impact for OSY was just less than 4.0 percentage points. The finding was significant at the .10 level.

Table 3–30. Estimates of the Impact of Urban YO Programs on the Unemployment Rates of Target Area Youths from April 2000–March 2001 and April 2003–March 2004 (in Percentage Points)

Demographic Group	Change in Unemployment Rate of YO Youths	Standard Error of Change	Change in Unemployment Rate of Central-City High-Poverty Youths	Standard Error of Change	Difference-in-Differences (between YO Youths and High-Poverty Youths)	Standard Error of Difference in Differences	t-Statistic
All	7.4	.9	6.5	1.3	.9	1.6	.56
Age							
16–19	6.3	1.2	7.4	1.5	–1.1	1.9	–.57
20–21	7.3	1.4	6.6	2.2	.7	2.6	.27
Gender							
Men	8.0	1.3	8.8	1.8	–.8	2.2	–.36
Women	6.6	1.3	4.2	1.8	2.4	2.2	1.08
Racial-ethnic							
Black, not Hispanic	5.5	1.3	7.8	2.0	–2.3	2.4	–.97
Hispanic	6.7	1.6	6.3	2.2	.4	2.7	.15
White, not Hispanic	8.5	2.9	6.6	3.0	1.9	4.2	.46
Nativity							
Native Born	7.3	1.0	6.4	1.4	.9	1.7	.52
Foreign Born	3.9	2.2	7.2	3.0	–3.3	3.7	–.88
Educational enrollment							
Enrolled in school	9.0	1.5	3.0	1.6	6.0***	2.2	2.74
Not enrolled in school	4.6	1.1	8.5	1.9	–3.9*	2.2	–1.77

***Significant at .01 level; **significant at .05 level; *significant at .10 level.

Employment rates (that is, E/P ratios) of 16- to 21-year-olds declined significantly in both YO target areas and the comparison-group neighborhoods over the 2000–2001 and 2003–2004 time periods. The percentage-point decline in the E/P ratio was modestly lower in the YO target areas. The estimated impact of the YO programs on the employment rate of all 16- to 21-year-olds in the target area was +2.2 percentage points, a modest but statistically nonsignificant effect.

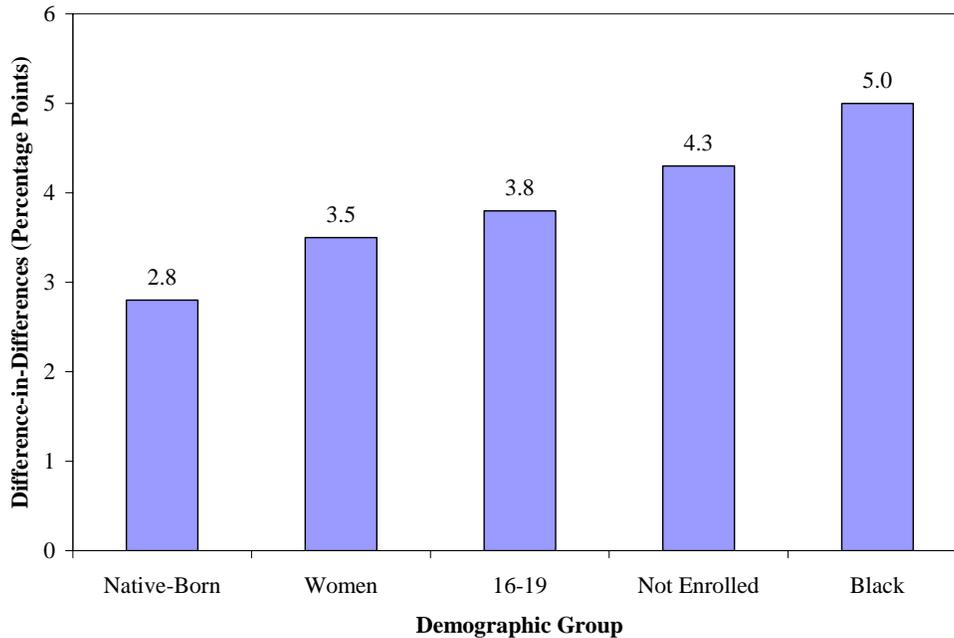
Table 3–31. Estimates of the Impacts of Urban YO Programs on the Employment Rates of Target Area Youths during the First Three Years, All 16- to 21-Year-Olds and Selected Demographic and School-Enrollment Groups (in %)

Demographic Group	Change in Employment Rates in YO Sites	Standard Error of Difference	Change in Employment Rates in BLS High-Poverty Neighborhoods	Standard Error of Difference	Difference in Differences (between YO Sites and High-Poverty Neighborhoods)	Standard Error of Difference in Differences	t-Statistic
All	-6.2	.7	-8.4	1.3	+2.2	1.45	1.52
Age							
16–19	-4.7	.9	-8.5	1.5	+3.8**	1.74	2.18
20–21	-7.0	1.4	-8.7	2.2	+1.7	2.60	.65
Gender							
Men	-8.0	1.1	-9.1	1.8	+1.1	2.14	.51
Women	-4.3	1.0	-7.8	1.8	+3.5*	2.09	1.67
Racial-ethnic							
Black, not Hispanic	-3.1	1.0	-8.1	2.0	+5.0**	2.28	2.19
Hispanic	-8.0	1.3	-10.7	2.2	+2.7	2.55	1.06
White, not Hispanic	-10.3	2.7	-7.8	3.0	-2.5	4.06	.61
Nativity							
Native born	-5.9	.8	-8.7	1.4	+2.8*	1.62	1.72
Foreign born	-6.3	1.9	-7.5	3.0	+1.2	3.52	.34
Educational enrollment							
Enrolled in school	-5.9	1.1	-6.2	1.6	+3	1.96	.15
Not enrolled in school	-3.8	1.0	-8.1	1.9	+4.3**	2.16	1.99

***Significant at .01 level; **significant at .05 level; *significant at .10 level.

For 3 of the 11 demographic and school-enrollment subgroups, the YO programs produced statistically significant positive impacts on employment rates at the .05 level. These three groups were teens, Black non-Hispanics, and those not enrolled in school. The estimated sizes of these impacts on the employment rates of target area youths ranged from 3.8 percentage points among the teens to 5.0 percentage points among Black youths. For two other groups, the native born and women, the employment impacts were significant at the .10 level.

Figure 3–10. Estimated Positive Impacts of Urban YO Programs on the Employment Rates of Demographic and School-Enrollment Groups



The Estimated Impacts of YO Programs on Weekly Hours, Full-Time Characteristics of Jobs Obtained by Target-Area Youths, and Full-Time E/P Ratios

The YO employment surveys and the CPS household surveys collected information about the weekly hours of work of employed youths at the time of the baseline and wave 2 surveys. In accord with standard labor-force definitions, those youths working 35 or more hours per week were classified as full-time employed. In both the YO areas and the central-city, high-poverty comparison neighborhoods, young adults—especially OSY—found it more difficult to obtain full-time jobs. The decline in the full-time share of jobs held by employed target-area youths was significantly greater than that among comparison neighborhood youths (–10.7 versus –1.8 percentage points). The size of this negative impact (–8.9 percentage points) was large enough to be classified as statistically significant at the .01 level.

Table 3–32. Estimates of the Impacts of Urban YO Programs on the Percent of Employed 16- to 21-Year-Old Target Area Youths Who Were Working Full-Time, from April 2000–March 2001 and April 2003–March 2004 (in Percentage Points)

Demographic Group	Change in Percent of Employed YO Youths Working Full-Time	Standard Error of Change	Change in Percent of Employed Central-City Poverty Youths Working Full-time	Standard Error of Change	Difference in Differences (between YO Youths and Central-City Youths)	Standard Error of Difference in Differences	t-Statistic
All	-10.7	1.2	-1.8	2.1	-8.9***	2.42	-3.68
Age							
16–19	-9.9	1.45	-4.7	3.3	-5.2	3.60	-1.44
20–21	-9.6	1.92	-1.0	2.8	-8.6**	3.39	-2.53
Gender							
Men	-9.6	1.7	-5.2	2.9	-4.4	3.39	-1.30
Women	-11.2	1.63	+1.4	3.1	-12.6***	3.50	-3.60
Gender							
Black, not Hispanic	-9.7	1.68	-5.3	4.4	-4.4	4.71	-.93
Hispanic	-11.4	1.98	-6.0	3.5	-5.4	4.02	-1.34
White, not Hispanic	-6.0	3.65	.34	4.2	-9.4*	5.56	-1.69
Nativity							
Native Born	-10.1	1.3	-1.00	2.5	-9.1***	2.83	-3.21
Foreign Born	-11.4	2.83	-5.80	4.1	-5.6	4.98	-1.12
Educational enrollment							
Enrolled in school	-5.6	1.56	+4.7	3.0	-10.3***	3.38	-3.04
Not enrolled in school	-11.2	1.41	-5.5	2.4	-5.7**	2.78	-2.05

***Significant at .01 level; **significant at .05 level; *significant at .10 level.

YO target area youths in each of the 11 demographic and school enrollment subgroups fared worse than their comparison-group counterparts in obtaining full-time jobs when they became employed. For six of these groups, the estimated impacts were large enough to be classified as statistically significant. The negative impacts were largest for 20-to 21-year-olds (-8.6), the native born (-9.1), White non-Hispanics (-9.4), and those enrolled in school (-10.3).

The positive impacts of YO programs on the employment rates of key demographic groups (women, Blacks, OSY) were offset by negative impacts on full-time employment among those employed. As a consequence, there was no positive significant impact of YO programs on the full-time employment rates of target-area youths either in the aggregate or in any of the demographic and socioeconomic subgroups. Overall, the full-time E/P ratio of YO target-area youths declined by 6.3 percentage points versus a 5.4 percentage-point decline among

comparison-group youths in the central-city, high-poverty neighborhoods. The difference in these two differences was –0.9 percentage points, but the estimated impact was not statistically significant.⁴⁷

Table 3–33. Estimates of the Impacts of Urban YO Programs on the Full-Time Employment-to-Population Ratios of Target-Area Youths during the First Three Years, All 16- to 21-Year-Olds and Selected Demographic and School-Enrollment Groups

Demographic Group	Change in Full-Time E/P Ratios of YO Sites	Standard Error of Difference	Change in Full-Time E/P Ratios in BLS High-Poverty Neighborhoods	Standard Error of Difference	Difference in Differences (between YO Sites and High-Poverty Areas)	Standard Error of Difference in Differences	t-Statistic
All	–6.3	.54	–5.4	1.10	–.9	1.22	–.74
Age							
16–19	–4.3	.53	–5.1	1.13	+8	1.25	.64
20–21	–8.7	1.21	–6.1	2.08	–2.6	2.41	–1.07
Gender							
Men	–1.3	.83	–7.7	1.65	+4	1.84	.22
Women	–5.3	.69	–3.4	1.05	–1.9	1.26	–1.51
Gender							
Black, not Hispanic	–3.9	.63	–6.1	1.71	+2.2	1.82	1.21
Hispanic	–8.4	1.02	–9.2	1.92	+8	2.17	.37
White, not Hispanic	–7.0	2.08	–1.8	2.71	–5.2	3.42	–1.52
Nativity							
Native born	–5.7	.57	–4.9	1.18	–.8	1.31	–.61
Foreign born	–8.0	1.56	–7.8	2.75	–.2	3.16	–.06
Educational enrollment							
Enrolled in school	–2.5	.48	–.2	.87	–2.3**	.99	–2.32
Not enrolled in school	–7.4	.87	–8.9	1.89	+1.5	2.08	.72

***Significant at .01 level; **significant at .05 level; *significant at .10 level.

YO programs were estimated to have a statistically significant impact on only one of the demographic and school-enrollment subgroups. Among ISY, the estimated full-time employment rate impact of –2.3 percentage points was large enough to be classified as statistically significant at the .05 level (Table 3–33). ISY in YO target areas were significantly less likely to be working full-time over the course of the program than their comparison-group counterparts in the nation’s

⁴⁷ The t-statistic for this impact estimate was only .74, well below the critical t value needed for statistical significance.

central-city, high-poverty neighborhoods. In both areas, only a small share of enrolled youths (12 percent in the YO target area) was employed full-time at the time of the wave 2 surveys.

We used survey findings for weekly hours of work among the employed to compute estimates of mean weekly hours of work among the employed at the time of the baseline and wave 2 surveys. Among YO youths, mean weekly hours of work declined by 2.8 hours between these two surveys (Table 3–34). In the comparison-group neighborhoods, mean weekly hours of work were unchanged at 28 hours during both survey periods. The estimated impact of YO programs on mean weekly hours of work among employed youths was –2.8 hours, but the difference was not statistically significant.

Table 3–34. Estimates of the Impacts of Urban YO Programs on Mean Weekly Hours of Work among Employed Target-Area Youths during the First Three Years, All 16- to 21-Year-Olds and Selected Demographic and School-Enrollment Groups

Demographic Group	Change in Mean Weekly Hours of Work in YO Sites	Standard Error of Difference	Change in Mean Weekly Hours of Work in BLS High-Poverty Neighborhoods	Standard Error of Difference	Difference in Differences (between YO Sites and High-Poverty Neighborhoods)	Standard Error of Difference in Differences	t-Statistic
All	–2.8	.34	0	2.77	–2.8	2.79	–1.00
Age							
16–19	–3.0	.44	0	3.73	–3.0	3.75	–.80
20–21	–2.0	.49	–1	4.01	–1.0	4.40	–.25
Gender							
Men	–2.8	.51	–1	4.05	–1.8	4.08	–.44
Women	–2.7	.46	1	3.75	–3.7	3.78	–.98
Racial-ethnic							
Black, not Hispanic	–2.9	.51	2	5.03	–4.9	5.06	–.97
Hispanic	–2.5	.53	–2	5.38	–.5	5.40	–.09
White, not Hispanic	–1.6	1.04	–1	5.01	–.6	5.12	–1.2
Nativity							
Native Born	–2.7	.38	0	3.05	–2.7	3.07	–.88
Foreign Born	–3.0	.82	–2	6.27	–1.0	6.32	–.16
Educational enrollment							
Enrolled in school	–1.7	.49	1	3.37	–.7	3.40	–.21
Not enrolled in school	–2.6	.36	–1	4.01	–1.6	4.03	–.40

*** Significant at .01 level; ** significant at .05 level.

Mean weekly hours of work declined for target-area youths in each of the 11 demographic and school-enrollment subgroups; in the comparison group, either declines or no changes in mean

weekly hours took place among 8 of the 11 demographic subgroups. None of the differences-in-differences in mean weekly hours of work among the 11 subgroups was statistically significant. The overall finding is that YO programs had no significant impact on mean weekly hours of work for all youths and for any of the 11 subgroups.

Estimated Impacts of YO Programs on Hourly and Weekly Earnings of Employed Target-Area Youths

One of the objectives of the YO programs was to improve the wages and skill levels of the jobs obtained by target-area youths as a result of their participation in the program. It was hoped that increased job-development and placement services combined with improved access to occupational training would improve youths' real hourly and weekly wages.

Estimates of the impacts of YO programs on the mean hourly wages of employed youths in the YO target areas are displayed in Table 3–35. For all employed 16- to 21-year-olds in the YO target area, mean hourly wages rose by \$.13 between the baseline and wave 2 follow-up surveys—a difference that was statistically significant at the .01 level. In the comparison-group neighborhoods, mean hourly wages were statistically unchanged over the 3-year period, declining by only \$.01. The estimated impact of YO programs on the mean hourly wages of employed target-area youths was a positive \$.14, but the size of this impact was not large enough to be classified as statistically significant.

Mean real hourly wages of employed members of each of the 11 demographic subgroups of YO target-area youths increased over the 3-year period. The estimated size of these mean hourly wage increases ranged from \$.06 for males to a high of \$.34 for foreign-born youths, \$.23 for 20- to 21-year-olds and \$.34 for foreign born. The estimated impacts of YO programs on the mean hourly wages of women were found to be statistically significant at \$.39. For teens, the estimated impact of \$.32 was significant at the .10 level. The estimated wage impacts for two other subgroups (Hispanic and foreign born) were fairly large at \$.31 and \$.39 but fell short of significance.

Table 3–35. Estimates of the Impacts of Urban YO Programs on Mean Hourly Wages of Employed YO Target-Area Youths During the First Three Years, All 16- to 21-Year-Olds and Selected Demographic and School-Enrollment Groups

Demographic Group	Change in Mean Hourly Wages of Employed in YO Sites (\$)	Standard Error of Difference	Change in Mean Hourly Wages of Employed in BLS High-Poverty Neighborhoods	Standard Error of Difference	Difference in Differences (between Wage Changes in YO Sites and High-Poverty Neighborhoods)	Standard Error of Difference in Differences	t-Statistic
All	.13	.07	-.01	.114	.14	.13	1.08
Age							
16–19	.13	.09	-.18	.156	.32*	.18	1.72
20–21	.23	.11	.11	.164	.12	.20	.61
Gender							
Men	.06	.09	.14	.184	-.08	.20	-.40
Women	.22	.11	-.17	.120	.39**	.16	2.43
Racial-ethnic							
Black, not Hispanic	.10	.09	.09	.233	.01	.25	.04
Hispanic	.28	.12	-.03	.191	.31	.22	1.41
White, not Hispanic	.07	.27	-.12	.213	.19	.34	.56
Nativity							
Native born	.09	.08	.01	.128	.08	.15	.53
Foreign born	.34	.13	-.05	.250	.39	.28	1.39
Educational enrollment							
Enrolled in school	.21	.10	-.02	.186	.23	.21	1.10
Not enrolled in school	.14	.11	.00	.142	.14	.18	.78

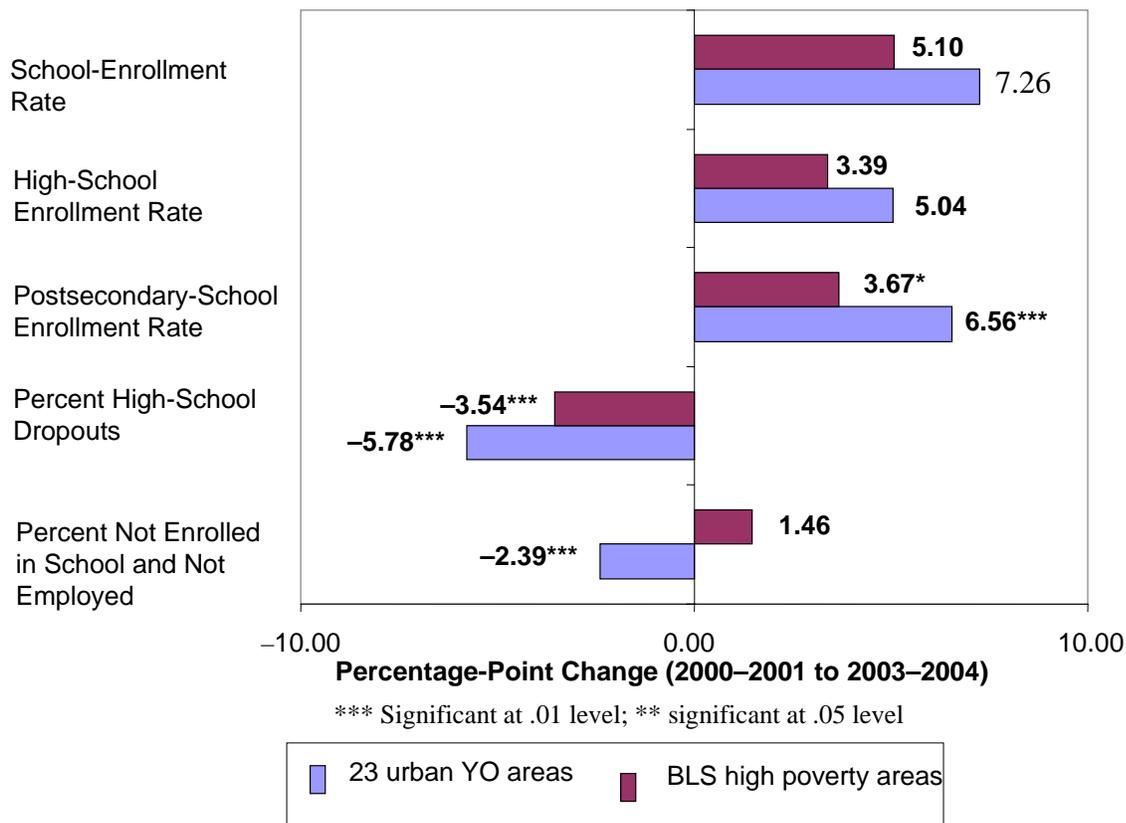
***Significant at .01 level; **significant at .05 level; *significant at .10 level.

Estimated Impact of YO Program on Educational Outcomes of Target-Area Youths

Over the first three years of the YO program, the overall school enrollment rate, the high-school enrollment rate, and the postsecondary school-enrollment rate significantly increased among 16- to 21-year-old residents in the 23 urban YO areas. Over the same 3-year time period, the incidence of high-school dropout problems and the proportion of youths who were disconnected from school and work (out-of-school and out-of-work) declined in these areas. Among youths residing in the CPS high-poverty neighborhoods, changes in 4 of the 5 educational outcomes between 2000–2001 and 2003–2004 were also positive, but the sizes of the positive changes were smaller than those that occurred in the YO areas. On the measure of the percent of youths who were out of school and out of work, no statistically significant change occurred in central-city high-poverty neighborhoods between 2000 and 2004.

A comparison of each of these outcomes is presented in Figure 3–11. The proportion of YO area residents who were enrolled in school increased by approximately 7.3 percentage points, compared to a 5.1 percentage-point increase among the comparison-group youths in high-poverty neighborhoods. Enrollment in high school or middle school increased by 5 percentage points among YO area residents, compared to 3.4 percentage points among their counterparts in central-city high-poverty neighborhoods. Postsecondary-school enrollment rates among youths who had graduated from high school increased by nearly 6.6 percentage points among YO area youths, compared to only 3.7 percentage points among their comparison-area counterparts. The measure of the proportion of youths who were high-school dropouts declined in both areas, but the estimated size of the decline was greater among YO area residents. The proportion of youths who were disconnected from work and school declined in the YO urban areas and remained statistically unchanged in high-poverty central-city neighborhoods.⁴⁸

Figure 3–11. Changes in Each of the Five Educational Outcome Measures Among 16- to 21-Year-Old Residents of the 23 Urban YO Areas, Compared to Youths Residing in the Nation’s High-Poverty Central-City Neighborhoods, 2000–2001 to 2003–2004



A simple comparison of percentage-point changes in outcomes over the 3-year YO implementation period indicates that YO youths had larger favorable changes in these educational outcomes than youths in comparison BLS central-city, high-poverty neighborhoods.

⁴⁸ A change is described as an increase or a decrease only if it passes a test of statistical significance. If an estimate of change does not pass the test of statistical significance, the change is considered to be no different from 0 and is described as “remained statistically unchanged.”

The differences between the changes in those outcomes over the 3-year time period represent the estimated impact of the YO program on these outcomes. The estimated impacts are considered to be significantly different from 0 if they meet the threshold of statistical significance. The remainder of this section presents estimates of the size of these impacts and the level of statistical significance for each of the five educational outcome measures. The impact estimates are presented for all youths and for each of the 9 demographic subgroups of 16- to 21-year-old youths.

Estimated Impact of the YO Program on the School-Enrollment Rate of Target-Area Youths

Over the time period between 2000–2001 and 2003–2004, the overall school-enrollment rate of youths residing in the YO areas increased by more than 7 percentage points, while the enrollment rate among their counterparts in high-poverty central-city neighborhoods increased by a little more than 5 percentage points. The difference between the changes in school-enrollment rates for the two groups of youths was 2.17 percentage points, a change that was not large enough to meet a two-tailed test of statistical significance. School enrollment increased across all demographic subgroups of youths in YO target areas and for most subgroups of youths in the CPS high-poverty areas. Moreover, the sizes of the increases were higher for all subgroups of youths (except teens) in the YO target areas than for their counterparts in the BLS, central-city high-poverty neighborhoods. The school-enrollment rate of teens also increased in both areas, but the size of the increment was slightly higher in the high-poverty areas compared to the YO areas. However, the difference between the increase in the teen school-enrollment rate in the YO areas and the high-poverty areas was not statistically significant and therefore cannot be interpreted as different from 0.

Table 3–36. Estimates of the Impacts of Urban YO Programs on the School-Enrollment Rates of Target-Area Youths during the First Three Years, All 16- to 21-Year-Old-Youths and Selected Demographic Subgroups

Demographic Group	Change in the School Enrollment Rate in YO Sites	Standard Error	Change in the School Enrollment Rate in BLS High-Poverty Neighborhoods	Standard Error	Difference in Differences (between YO Sites and High-Poverty Neighborhoods)	Standard Error	t-Statistic
All	7.26	0.71	5.10	1.34	2.17	1.51	1.43
Age							
16–19-year-olds	5.49	0.76	6.53	1.64	–1.04	1.80	–0.58
20–21-year-olds	6.99	1.44	2.87	2.07	4.11*	2.52	1.63
Gender							
Males	6.89	1.05	4.47	1.91	2.41	2.18	1.11
Females	7.64	0.99	5.66	1.86	1.98	2.11	0.94
Racial-ethnic							
Black, not Hispanic	5.55	0.97	4.84	2.32	0.71	2.51	0.28
Hispanic	9.73	1.22	7.77	2.26	1.96	2.57	0.76
White, not Hispanic	5.40	2.51	4.90	3.08	0.51	3.97	0.13
Nativity							
Native born	6.69	0.77	5.86	1.49	0.82	1.68	0.49
Foreign born	9.37	1.88	1.95	2.97	7.42**	3.52	2.11

***Significant at .01 level; **significant at .05 level; *significant at .10 level.

The difference between the differences in overall school-enrollment rates among all youths and all demographic subgroups met the threshold for statistical significance for foreign-born youths. Among youths who were born abroad, the rate of enrollment in school increased by 9.4 percentage points in the YO areas, which was 7.4 percentage points higher than the increase that occurred in the high-poverty areas (1.9 percentage points). The 7.4-percentage-point impact estimate was statistically significant at the .05 level. The school-enrollment rate of 20- to 21-year-old youths in the YO sites increased by nearly 7 percentage points, whereas the rates of their counterparts in the high-poverty neighborhoods of central cities increased by just 2.9 percentage points. This difference was statistically significant at the .10 level.

Estimated Impact of the YO Program on the High-School Enrollment Rate of Target-Area Youths

The high-school enrollment rate, which measures the proportion of all 16- to 21-year-old youths who were enrolled in high school or middle school increased among most groups of youths in both areas. Over the 3-year time period, the share of youths enrolled in high school or middle school increased among all youths and each of the 9 demographic subgroups of youths in the YO target areas and among all youths and a few subgroups of youths in the CPS high-poverty neighborhoods. The increment in the high-school enrollment rate was greater in the YO target areas than the change that occurred in the high-poverty neighborhoods. The double differences

approach, which measures the estimated impact of central-city YO programs, yielded positive and statistically significant findings for one subgroup of youths and approached significance for a second subgroup.

The high-school enrollment rate of non-Hispanic, White youths residing in YO areas increased by 7.2 percentage points at the same time that their counterparts in the high-poverty neighborhoods experienced no statistically significant change in their rate of high-school enrollment. The result of these different trends across the two groups of White youths yields an impact estimate of nearly 7.4 percentage points, which was statistically significant at the .05 level. The increase in the high-school enrollment rate of male 16- to 21-year-old residents of the YO target areas was 4 percentage points higher than the increment that occurred among young males in the high-poverty neighborhoods—5.8 percentage points versus 1.7 percentage points, respectively. The double difference of 4 percentage points was significant at the .10 level.

Table 3–37. Estimates of the Impacts of Urban YO Programs on the High-School Enrollment Rates of Target-Area Youths during the First Three Years, All 16- to 21-Year-Old Youths and Selected Demographic Subgroups

Demographic Group	Change in the High-School Enrollment Rate in YO Sites	Standard Error	Change in the High-School Enrollment Rate in BLS High-Poverty Neighborhoods	Standard Error	Difference in Differences (between YO Sites and High-Poverty Neighborhoods)	Standard Error	t-Statistic
All	5.04	0.79	3.39	1.25	1.66	1.48	1.12
Age							
16–19-year-olds	3.99	0.91	5.64	1.70	–1.64	1.93	–0.85
20–21-year-olds	1.15	0.68	0.10	0.76	1.04	1.02	1.03
Gender							
Males	5.78	1.14	1.73	1.80	4.04*	2.13	1.90
Females	4.32	1.11	4.93	1.74	–0.61	2.06	–0.29
Racial-ethnic							
Black, not Hispanic	3.21	1.08	3.13	2.25	0.08	2.50	0.03
Hispanic	6.25	1.35	6.05	2.14	0.21	2.53	0.08
White, not Hispanic	7.24	2.54	–0.14	2.50	7.38**	3.57	2.07
Nativity							
Native born	4.84	0.86	3.19	1.42	1.65	1.66	1.00
Foreign born	5.30	2.01	4.08	2.63	1.22	3.31	0.37

*** Significant at .01 level; ** significant at .05 level.

Estimated Impact of the YO Program on the Postsecondary-School Enrollment Rate of Target-Area Youths

The postsecondary school enrollment rate is measured as the share of youths who had already completed high school, earned either a high-school diploma or a GED credential, and were enrolled in postsecondary school.

The postsecondary-school enrollment rates among YO target-area youths increased among all subgroups of youths except non-Hispanic Whites. For this group, the college-enrollment rate remained statistically unchanged. In the CPS high-poverty areas, the postsecondary-school enrollment rate among high-school graduates increased only enough to pass the test of statistical significance among 4 groups. A simple comparison of the increases in college-going rates among all high-school graduates and demographic subgroups of youths in YO areas with those of their peers in the CPS high-poverty areas indicates higher positive changes among YO-area youths than among youths who lived in the CPS high-poverty areas. The magnitude of the difference in differences or the impact estimates for all 16- to 21-year-old youths and for all of the demographic subgroups of youths except one were too small to pass a two-tailed test of statistical significance. However, the difference of the estimated impact of the YO programs on the college-going rate for foreign-born youths was strongly positive (9.4 percentage points) and statistically significant at the .10 level.

Table 3–38. Estimates of the Impacts of Urban YO Programs on the Postsecondary-School Enrollment Rates of Target-Area Youths during the First Three Years, All 16- to 21-Year-Old Youths and Selected Demographic Subgroups

Demographic Group	Change in the Postsecondary-School Enrollment Rate in YO Sites	Standard Error	Change in the Postsecondary-School Enrollment Rate in BLS High-Poverty Neighborhoods	Standard Error	Difference in Differences (between Changes in Enrollment Rates)	Standard Error	t-Statistic
All	6.56	1.32	3.67	2.00	2.89	2.39	1.21
Age							
16–19-year-olds	6.29	1.97	5.65	3.28	0.65	3.83	0.17
20–21-year-olds	6.47	1.83	2.75	2.51	3.72	3.11	1.20
Gender							
Males	4.43	1.99	4.02	2.94	0.42	3.55	0.12
Females	8.26	1.79	3.62	2.72	4.63	3.25	1.42
Racial-ethnic							
Black, not Hispanic	7.02	1.85	3.74	3.60	3.28	4.04	0.81
Hispanic	9.20	2.37	5.18	3.76	4.01	4.44	0.90
White, not Hispanic	1.49	3.59	6.42	3.84	–4.93	5.25	–0.94
Nativity							
Native born	6.33	1.43	4.83	2.21	1.50	2.63	0.57
Foreign born	8.14	3.51	–1.30	4.67	9.44*	5.84	1.61

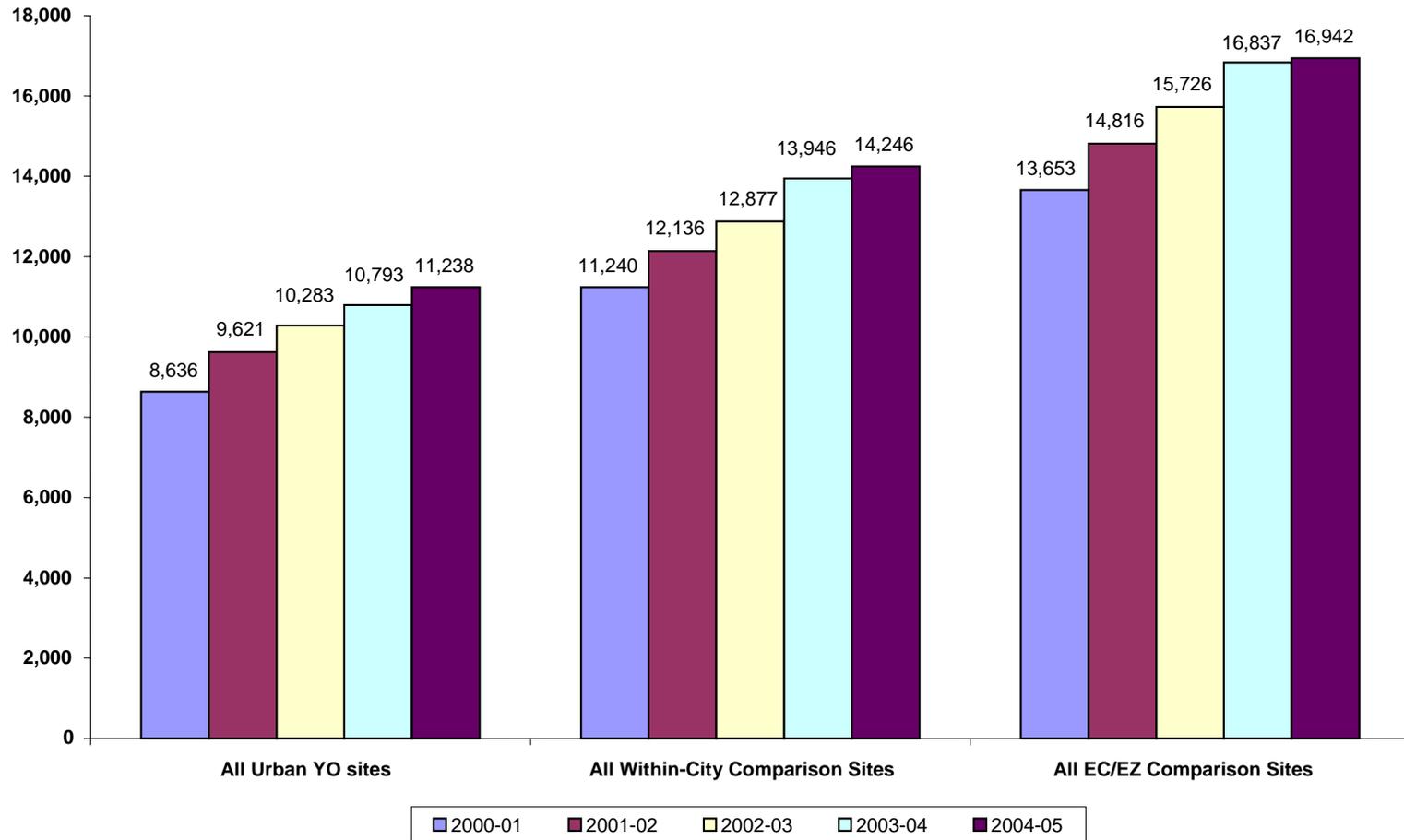
***Significant at .01 level; **significant at .05 level; *significant at .10 level.

As a supplement to the analysis of college-going rates presented in Table 3–38, which used YO survey and CPS data, we conducted an analysis of the changes in the number of Pell Grant⁴⁹ recipients over time. For the urban YO sites, we compared the number of recipients from census tracts in which YO operated with matching census tracts within the same city but without the YO program operating. We also matched the number of recipients from YO census tracts to corresponding tracts in empowerment community/empowerment zones (EC/EZ) in other locations. Differences in the change in the number and percent of Pell Grant recipients provided an additional view of the role that YO programs might have played on increasing postsecondary enrollment. As seen in Figure 3–12, Pell Grant recipients in the urban YO sites increased by 30 percent between 2000–2001 and 2004–2005. By contrast, the number of Pell Grant recipients in the two comparison groups increased by 27 and 24 percent.

⁴⁹ The Federal Pell Grant Program provides need-based grants to low-income undergraduate and certain postbaccalaureate students to promote access to postsecondary education. Students may use their grants at any one of approximately 5,400 participating postsecondary institutions (www.ed.gov/programs/fpg/index.html).

% Change between 2000-01 and 2004-05		
All Urban YO Sites	All Within City Comparison Sites	All EC/EZ Comparison Sites
30.1%	26.7%	24.1%

Figure 3–12. Absolute Number of Pell Grant Recipients per Application Year

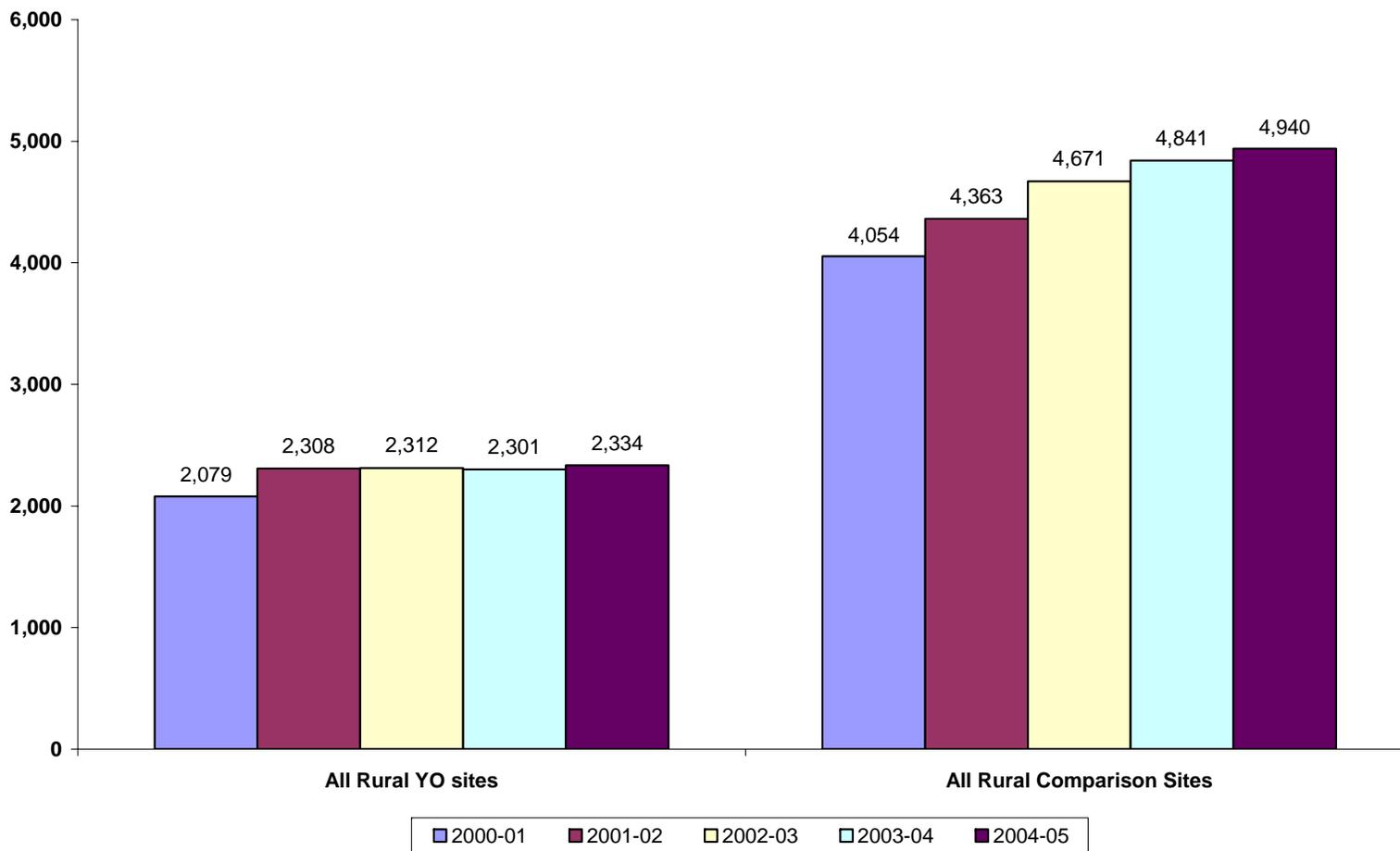


For the rural sites, we found a very different result. We selected comparison sites for the six rural YO sites by using Mahalanobis matching models to select rural counties from the same state in which the rural YO site was located. We imposed an additional restriction to ensure that the selected comparison counties were within + or – 1 of its matching YO site on the USDA’s rural-urban continuum code. The number of Pell Grant recipients in the rural YO sites increased by 12 percent during the period of interest. By comparison, in the rural matching comparison sites without a YO program, the number of youths who received Pell Grant awards increased by almost 22 percent. Figure 3–13 displays these results.

Although we cannot directly compare the findings from the impact analysis and the Pell data because they are using different measures, simply looking at college enrollment success by using these two separate methods (college enrollment rate and changes in Pell grantee awardees over time) suggests that youths residing in YO urban areas had better college enrollment success than their counterparts in the urban comparison areas. However, the finding of lower Pell grant awards for youths in rural YO areas compared to youths in non-YO rural comparison counties cannot be compared to an analysis that uses college enrollment rates because a YO effect on rural areas was not computed in the impact analysis.

% Change between 2000-01 and 2004-05	
All Rural YO Sites	All Rural Comparison Sites
12.3%	21.9%

Figure 3–13. Absolute Number of Pell Grant Recipients per Application Year



The three schooling measures described so far are positive. The two impact measures discussed in the following sections (high-school dropout problems and disconnection rate of target-area youths) are negative outcomes, which means that a decrease in the values of these measures represents a positive development for youths in the YO areas.

Estimated Impact of the YO Program on the Incidence of High-School Dropout Problems among Target-Area Youths

The positive changes that occurred in the school-going rates, particularly in the high-school-going rates, among youths in the YO areas and the CPS high-poverty areas indicate that more youths were in school trying to finish and that fewer youths had quit school or dropped out of school before obtaining a high-school diploma or a GED at the end of the 3-year time period, compared to the situation at baseline.

The incidence of high-school dropout problems declined significantly among YO area youths and among their counterparts in the CPS high-poverty neighborhoods. The percentage-point decline in high-school dropouts in YO areas (–5.8 percentage points) exceeded the decline in the high-school dropouts in the CPS high-poverty areas (–3.5 percentage points) by 2.2 percentage points. This impact estimate was statistically significant at the .10 level. The YO program can be characterized as having had a modest, positive impact on reducing the incidence of dropout problems among 16- to 21-year-old residents of YO target areas.

Table 3–39. Estimates of the Impacts of Urban YO Programs on the Incidence of High-School Dropout Problems among Target-Area Youths during the First Three Years, All 16- to 21-Year-Old Youths and Selected Demographic Subgroups

Demographic	Change in the Incidence of High-School Dropout Problems in YO sites	Standard Error	Change in the Incidence of High-School Dropout Problems in BLS High-Poverty Neighborhoods	Standard Error	Difference in Differences (between YO Sites and High-Poverty Neighborhoods)	Standard Error	t-Statistic
All	-5.78	0.55	-3.54	1.13	-2.24*	1.25	-1.79
Age							
16–19-year-olds	-5.42	0.61	-4.36	1.43	-1.06	1.55	-0.68
20–21-year-olds	-5.31	1.14	-2.22	1.84	-3.09	2.16	-1.43
Gender							
Males	-5.58	0.82	-4.13	1.66	-1.45	1.85	-0.78
Females	-5.98	0.74	-2.94	1.53	-3.05*	1.70	-1.79
Racial-ethnic							
Black, not Hispanic	-4.40	0.73	-3.48	1.94	-0.92	2.07	-0.44
Hispanic	-8.30	0.98	-5.72	2.09	-2.59	2.31	-1.12
White, not Hispanic	-2.07	1.78	-1.92	2.20	-0.15	2.83	-0.05
Nativity							
Native born	-4.81	0.58	-4.32	1.21	-0.49	1.35	-0.36
Foreign born	-9.61	1.56	-0.10	2.81	-9.51***	3.21	-2.96

***Significant at .01 level; **significant at .05 level; *significant at .10 level.

Estimates of the impact of the YO programs on the incidence of high-school dropout problems among the 9 demographic subgroups of youths were positive and statistically significant for foreign-born youths and females. Foreign-born youths residing in the YO target areas experienced a 9.6-percentage-point decline in the incidence of high school dropout problems relative to a much smaller and not statistically significant decline in the dropout rate of foreign-born youths in CPS high-poverty neighborhoods, yielding a positive and statistically significant impact of 9.5 percentage points. The share of high-school dropouts among 16- to 21-year-old women in YO target areas declined more than it did among young female residents of the CPS high-poverty neighborhoods (6 percentage points versus 2.9 percentage points, respectively). This 3.1-percentage-point impact estimate was statistically significant at the .10 level.

Estimated Impact of YO Programs on the Disconnection Rate of Target-Area Youths

The ratio of youths who were not in school and not employed at the time of the surveys declined over time and represents a positive development for youth in the YO areas. The disconnection rate of youths in the YO target areas declined by 2.4 percentage points over the program period, whereas the disconnection rate of youths in the CPS high-poverty neighborhoods remained

statistically unchanged (an increase of 1.5 percentage points, which was not statistically significant). The combined changes represent a positive and statistically significant impact of the YO programs on the youth disconnection rate of nearly 3.4 percentage points.

The impacts of YO programs on the disconnection rate of youths across the 9 demographic subgroups were positive and statistically significant for 7 of them. The size of the impact estimates for these subgroups of youths varied in a relatively narrow range between a high of 5.6 percentage points among foreign-born youths to a low of 3.4 percentage points among Hispanic youths. Between these two upper and lower bounds impact estimates were 4.8 percentage points among 20- to 21-year-old youths, 4.3 percentage points among Black youths, 4.1 percentage points among males, 3.7 percentage points among females, and 3.6 percentage points among native-born youths. The size of the impact estimates among teenagers and non-Hispanic White youths failed to approach the threshold of statistical significance.

Figure 3–14. Estimates of the Impacts of Urban YO Programs on the Share of Target-Area Youths Who Were Out of School and Out of Work during the First Three Years of the Program (All 16- to 21-Year-Old Youths and Selected Demographic Subgroups)

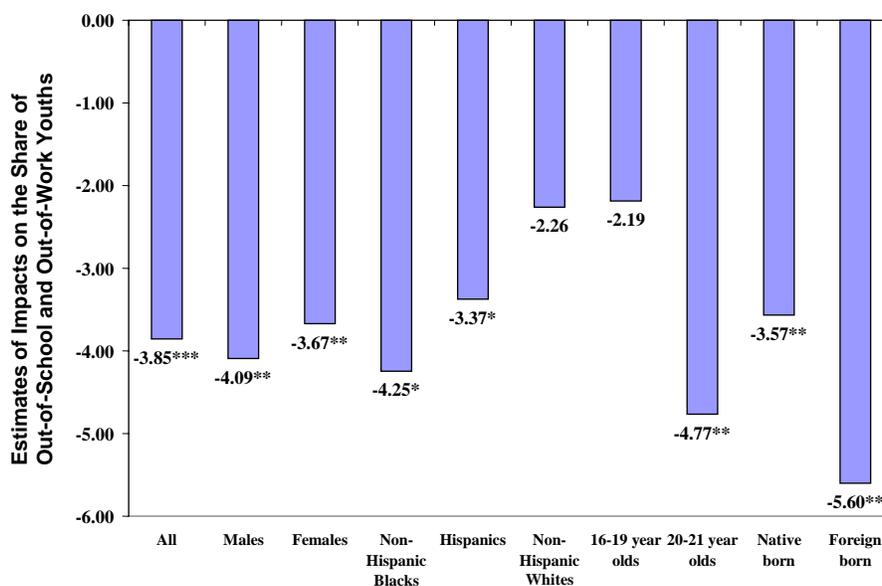


Table 3–40. Estimates of the Impacts of Urban YO Programs on the Share of Target-Area Youths Who Were Out of School and Out of Work During the First Three Years of the Program (All 16- to 21-Year-Old Youths and Selected Demographic Subgroups)

Demographic	Change in the Percent Not Enrolled in School and Not Employed in YO sites	Standard Error	Change in the Percent Not Enrolled in School and Not Employed in BLS High-Poverty Neighborhoods	Standard Error	Difference in Differences (between YO Sites and High-Poverty Neighborhoods)	Standard Error	t-Statistic
All	-2.39	0.55	1.46	1.12	-3.85***	1.25	-3.09
Age							
16–19-year-olds	-2.33	0.60	-0.14	1.38	-2.19	1.51	-1.45
20–21-year-olds	-0.87	1.18	3.90	1.86	-4.77**	2.21	-2.16
Gender							
Males	-0.95	0.77	3.14	1.55	-4.09**	1.74	-2.35
Females	-3.81	0.80	-0.14	1.59	-3.67**	1.79	-2.06
Racial-ethnic							
Black, not Hispanic	-2.90	0.82	1.35	2.07	-4.25*	2.23	-1.91
Hispanic	-2.56	0.89	0.82	1.86	-3.37*	2.06	-1.63
White, not Hispanic	-0.43	1.87	1.83	2.28	-2.26	2.94	-0.77
Nativity							
Native born	-2.38	0.61	1.19	1.26	-3.57**	1.40	-2.55
Foreign born	-3.07	1.33	2.53	2.40	-5.60**	2.74	-2.04

***Significant at .01 level; **significant at .05 level; *significant at .10 level.

Limitations of This Approach

The CPS high-poverty central-city-neighborhood comparison group approach has several limitations. First, we emphasize that this analysis applied only to the 23 urban YO sites (excluding Washington D.C.) and, as a result, does not address any possible YO effects relative to the rural or Native American YO sites.

A second limitation of this approach is that labor-force data from the CPS survey are restricted to individuals ages 16 or older. In addition, the CPS restricts information about educational attainment and school-enrollment status to those between the ages of 16 and 24. Hence, all estimates of educational outcomes, including school-enrollment status, high-school graduation rate, college-enrollment rate, and labor-force outcomes that are estimated from the CPS surveys were restricted to the 16- to 21-year-old age group.

Third, *all* urban high-poverty neighborhoods were included in the CPS survey, not just those that are matched on the basis of criteria that were used to select YO sites. YO sites were selected on the basis of sites that had above-average poverty rates, racial-ethnic minorities, and youth joblessness. The high-poverty neighborhoods are similar to the YO sites, except that the YO areas compose a somewhat larger share of Black and Hispanic youths compared to the urban high-poverty neighborhoods. This difference constitutes another limitation of the urban high-poverty method.

Summary of Findings from the Two Comparison Analyses

If the YO programs are effective in achieving their core goals, we would expect to see a relative increase in the number of youths employed and youths in school in YO sites when compared to youths in non-YO locations. We would also expect to see a relative increase in educational attainment. The analyses that we conducted by using the two comparison-group methods have produced estimates of the effect of the presence of YO programs on several key employment, education, and school-enrollment outcomes. Also, findings on impact discussed here apply only to the first three years of YO implementation. Many youths were still receiving services at the time of the impact evaluation. Although the results from the two methods did not completely parallel one another in statistically significant outcomes, the overall direction of findings is generally consistent from both approaches.

We found that, when compared to youths living in non-YO census tracts, the youths in the YO target areas had several positive employment and education-related outcomes—overall and for specific subgroups. We also found a few negative outcomes for certain subgroups of youths in the YO target areas, compared to youths in non-YO census tracts. Although the two comparison-group approaches identified different significant impacts (or YO effects), in only one instance did we find significant changes in opposite directions across the two approaches (that is, one method indicated a significantly positive YO effect on female employment rate while the other method indicated a significantly negative one).

We found the following YO effects on employment to be significant:

- YO increased the labor-force participation rate overall and specifically for the younger age range (16- to 19-year-olds), women, native-born residents, Blacks, and ISY. The YO effect was positive in increasing the employment rate among Blacks, 16- to 19-year-olds, OSY, women,⁵⁰ and native-born youths. YO also had a positive effect on the hourly wages of teens (16- to 19-year olds).
- On the other hand, YO reduced full-time employment among employed youths overall and for various subgroups including ISY and OSY, 20- to 21-year-olds, women, Whites, and native-born residents. YO also decreased the full-time employment rate for ISY. YO was also found to reduce the employment rate of Hispanics and females, while increasing their unemployment rate and that of older youths.

⁵⁰ We found a positive YO effect on the employment rate of women by using the CPS high-poverty central city comparison group approach; however, we found a negative YO effect on female employment rate when we used the propensity method and the comparison group was the high-poverty census tract group. This was the one case where significant YO effects went in opposite directions based on the comparison group used.

In summary, employment outcomes were positive for most groups, especially younger youths, Blacks, and native-born youths. Negative employment outcomes were more prevalent among white youths, whose labor-force participation, employment rate, and full-time employment declined. In-school youths also saw a decline in full-time employment among those who were employed and in their full-time employment rate. Females experienced increases in labor force participation and hourly wage but a decline in their full-time employment. The outcome for the female employment rate depended on the comparison group approach used. Most groups experienced a decline in full-time employment among those who were employed. However, whether a decline in full-time employment is positive or negative must be considered in conjunction with any corresponding change in educational participation by the group that experienced a reduction in full-time employment.

Significant (especially positive) YO effects on education-related outcomes were identified for a number of subgroups:

- YO had a positive impact overall on increasing the percentage of youths who had at least an eleventh-grade education, reducing the percentage of youths who were not in school, and increasing the percentage of youths in secondary school.
- For several subgroups, the YO effect on educational outcomes was primarily positive: it decreased the number of 16- to 18-year-olds not in school and increased the percentage of 19-year-olds who were in secondary school. YO significantly increased the percentage of Hispanics enrolled in secondary school and decreased the percentage of Hispanic high-school graduates not in college. YO had a positive effect on school enrollment for foreign-born youths, on reducing the number of high-school dropouts, and on increasing post-secondary enrollment among that group.
- YO also appeared to have had a significantly positive effect on reducing the number of out-of-school and out-of-work (disconnected) youths overall and for males and females, 20- to 21-year-olds, Blacks and Hispanics, and native-born and foreign-born youths.

The only negative education-related YO effect was that it decreased the percentage of 16- to 18-year-olds and Hispanics who were high-school graduates in college. This result for Hispanics is somewhat puzzling because we also found that YO decreased the percentage of Hispanic high-school graduates who were not in college.

The only finding that could be considered a somewhat surprising YO effect was the overall decrease in the number of full-time workers among employed youths in the YO communities compared to other high-poverty central city areas. Given the increases in the participation of youths in the labor force and enrolled in school or employed in the YO communities, it may be that fewer youths were working full-time but were increasingly combining work with educational pursuits. Besides, combining full-time work and school has been repeatedly shown in national research to have adverse effects on the education performance and school retention rates of youths, especially those from disadvantaged backgrounds. As a result, the finding of a reduction in full-time employment cannot necessarily be considered a negative impact of YO.

Weaknesses of These Approaches for the YO Impact Analyses

Using two different comparison group approaches for this analysis of the impact of the YO program is tantamount to having a second opinion about the findings. That is a potential strength of this approach. Similarly, using different data sources to measure the outcomes for the two comparison groups also provides an alternative perspective for the impact analysis. However, we also recognize that certain aspects of our comparison approach represent a serious threat to the validity of this analysis. Those weaknesses are discussed here.

We used different data sources to measure the employment and education outcomes for the intervention and comparison groups, within each of the comparison group approaches. We used study-generated survey data for measuring outcomes in the YO sites, American Community Survey data for the propensity-matched tracts, and Current Population Survey data for the high-poverty central city comparison groups. It is generally agreed that comparison group techniques, to be credible, must use data for the treatments and comparisons from the same source.⁵¹ However, same-source data was not available for this analysis.

Further, our matching approach was based on groups (census tracts), not individuals. There is limited literature to provide substantive support for the validity of group matching. Further, reviews of comparison-group techniques have generally concluded that comparison-group methods are most appropriate when the comparison and treatment groups are in the same labor market.⁵² However, this was not possible with the YO evaluation, because special tabulations from the Census Bureau to conduct such analysis were not available.

Despite these notable weaknesses in the approach employed for this evaluation, we believe that some of the findings from the comparison analysis are supportive of conclusions that the YO program did appear to have some positive effects on youths in the communities where it operated.

In Chapter 4, we look at findings from the impact analysis in relation to findings from other components of the evaluation.

⁵¹ See Heckman, LaLonde, and Smith, 1999, “The Economics and Econometrics of Active Labor Market Programs” in Ashenfelter and Card, *Handbook of Labor Economics Vol. 3A*; Thomas Fraker, Rebecca Maynard, “The Adequacy of Comparison Group Designs for Evaluations of Employment-Related Programs,” *The Journal of Human Resources*, Vol. 22, No. 2 (Spring, 1987), pp. 194–227

⁵² Ibid.

Chapter 4. Synthesis of Findings across the YO Evaluation Components

This chapter synthesizes the findings from the various study components and tells the overall story of the YO initiative—including the context in which the YO program operated, the way in which it was implemented, the measurable impacts YO had when compared to similar non-YO locations, and the changes that residents believed YO did or did not make in their communities.

The Context for YO Implementation

The national picture for youth employment and the economic conditions in the YO communities are important contextual factors in evaluating the YO initiative.

The YO Grants Initiative, which funded 36 programs from 2000 to 2005, was initiated during a period characterized by a national economic recession during part of that time. As indicated in Chapter 3 of this report, the national labor-market boom of the middle to late 1990s came to a sudden halt in early 2001 with a national recession beginning in March of that year.⁵³ While the recession officially came to an end in November 2001, the national unemployment rate continued to rise through the early summer of 2003,⁵⁴ and payroll employment did not begin to grow steadily until late summer of that year. The nation's teens and young adults (16- to 24-year-olds) were the most adversely affected by these deteriorating labor-market conditions, with their employment rates falling steadily from 2001 through 2004.⁵⁵ During that time, the teen and young-adult employment rate in metropolitan areas and central cities across the nation dropped from 60 percent to 54 percent while their labor-force participation rate dropped from 66 to 61 percent. This decline in employment and labor-force participation of young people nationally was true for both in-school and out-of-school youths.

In the YO target areas specifically included in this evaluation,⁵⁶ there was an increase of approximately 10,000 additional youths eligible to be served by YO programs between 2001 and 2004. YO sites were composed increasingly of in-school youths compared to out-of-school youths; this was especially apparent in Detroit, Denver, and Houston. As a corollary, the YO target areas were increasingly populated by younger persons compared to the older out-of-school youths.

The ethnographic analysis—based on site visits that the evaluation team conducted to the YO target areas at the beginning of the initiative in 2001 and during two subsequent periods in 2003 and late 2004—identified, throughout the period, challenging economic conditions. Residents

⁵³ The beginning date of March 2001 and the ending date of November 2001 for the recession of 2001 were established by the National Bureau of Economic Research.

⁵⁴ The seasonally adjusted monthly unemployment rate for the nation peaked at an average of 6.2% during the June–August period of 2003.

⁵⁵ For a review of the changing labor-market fate of teens and young adults from 2000–2004 in the nation and central-city high-poverty neighborhoods, see Andrew Sum, Paulo Tobar, Joseph McLaughlin, and Sheila Palma, *Trends in the Employment Status of Teens and Young Adults in the U.S. and in Selected High Poverty Neighborhoods, 2000–2004*, prepared for DIR and the U.S. Department of Labor's Employment and Training Administration, Washington, D.C., 2004.

⁵⁶ Most of the analysis for the evaluation was limited to the urban and rural YO target areas, excluding the six Native American sites.

and leaders believed that the following factors contributed to their communities' economic conditions:

- lack of a core private-sector industry or economic base
- geographic isolation and population loss
- lack of skilled labor
- weak transportation and institutional infrastructure

Community residents believed that there were few quality job opportunities for adults and youths; there was considerable competition for what jobs there were, and racism and discrimination presented employment barriers. Adults and youths alike cited the following additional employment barriers as being especially acute for youths in the YO target areas:

- lack of supportive services, such as childcare and transportation
- lack of skills among the youths themselves
- lack of employed role models in their community
- drug use among youths and adults

This was the demographic, economic, and community context in which most YO programs were implemented. Obviously, sites had unique differences by virtue of being urban, rural, or Native American; but many factors were consistent across all YO sites. The design of the YO program was informed by the recognition of the need for community-wide efforts to address the challenging issues that impede the economic and educational progress of YO-area youths and to build on the assets of their communities.

Features of the YO Implementation

We documented the implementation of the YO projects in each site by conducting site visits to each site at least once and by reviewing the Management Information System (MIS) data maintained by DOL from information collected by each site. MIS data provided a measure of YO implementation over the 5-year period on activities and services provided and outcomes.

In the Solicitation for Grant Awards, ETA described a model of program services with the following features that YO projects were expected to implement:

- **Geographic Saturation.** Rather than spreading available resources across the entire country, the YO program was intended to concentrate a large amount of resources in selected communities. Unlike other DOL youth programs, the YO grants were open to all youths residing in the designated target area, avoiding the stigma associated with income-based programs. The YO program was intended to reach out to as many youths in the targeted high-poverty areas as possible. By making all resident youths eligible and saturating a high-poverty area with staff-intensive and comprehensive services, the program was expected to positively affect peer pressure, impact the larger community, and create a positive environment for promoting youth development.
- **Youth Opportunity Community Centers.** Under the YO program, each grantee was required to establish in the target area one or more Youth Opportunity Community Centers

to provide a safe and accessible place for youths to meet. These centers were to be staffed with youth-development specialists and offer a core set of services.

- **Youth Development Framework.** YO programs were expected to provide supportive services (including mentoring, support groups, and follow-up services) and services that develop the potential of youths as citizens and leaders (such as community service, sports and recreation, and life skills training) as a means for achieving employment and educational outcomes. Emphasis was placed on staff-intensive individualized services in which youth-development specialists or case managers would play a key role.
- **Long-Term Engagement.** With the increased recognition that youths need to be “engaged” over a long period of time to receive meaningful benefits, no participant in the YO program was considered to be an “exiter.” Youths were encouraged to maintain contact and seek assistance, even when they had completed their service plan.
- **Partnerships and Leveraging.** The YO program strongly emphasized that the grantee—the Workforce Investment Board (WIB) in most cases—establish partnerships with public, private, and nonprofit organizations and leverage resources that would enable the services to continue, even after YO funds cease. These partnerships should enable programs to serve youths in a variety of ways and provide a broad range of services.

We examined important concepts, such as *penetration* into the target community, *programming* and *participation* levels and patterns, and *placement* outcomes, through data obtained from the YO evaluation.

Penetration

Although ISY represented a much higher proportion of the eligible youth population in grantees’ service areas, participants in the YO programs were nearly evenly split between ISY and OSY. YO sites enrolled 52 percent of eligible OSY and 26 percent of eligible ISY for a blended participation rate of about 34 percent of the eligible youths in their service area. This high enrollment of OSY reflected the priority placed on this population by the Office of Youth Services and demonstrates the relative success that YO grantees had, compared with many other youth-serving programs, in being able to attract this population.

The differences in the penetration rates across sites is an important factor in evaluating projects because it speaks to decisions that program providers had to make regarding how thinly to concentrate their resources. It was also useful to learn whether the degree of penetration into a community was correlated with the changes in community-level educational or employment outcomes examined in this evaluation. Our hypothesis was that the greater YO’s penetration into the community of eligible youths, the more likely community-level outcomes would be measurable among the eligible youth population. For each project, there was a high correlation between the dollar allotment per eligible youth and the penetration rate (correlation = .81). However, we found no correlation between YO’s penetration into the community, which ranged from 20 to 68 percent for the non-Native American sites, and any of the community-wide employment or educational outcomes for youths in the YO target areas. This was true even at the highest penetration levels (above 40 percent).

Programming and Participation

The process evaluation final round of in-depth site visits involved 21 urban sites and 4 rural sites; other planned visits had to be curtailed because of changes in the available resources. However, the visits to those sites, and the earlier round of site visits to all 36 of the YO sites allowed us to identify how YO was implemented and some key variations.

The YO program served two distinct segments of youths—in school youths (ISY) and out-of-school youths (OSY). Although the services are the same for both segments, service strategies tended to vary to accommodate different goals and different situations. For ISY, who were full-time students at risk of dropping out, the goals were to assist youths to remain in school, graduate, and advance to higher education. For OSY, most of whom were not pursuing an education, the goals were to assist them complete high school or attain a GED, secure long-term training or college, or find employment. Nearly all ISY are high-school students with a few middle-school and college students included. A majority of OSY are high-school dropouts who have neither a GED nor a high-school diploma.

Long-term job placements were the primary goal of nearly all OSY programs, while high-school graduation was the primary goal of ISY. The following youth-development services were considered core activities because they represented the greatest investment of participant time and were central to the program strategy:

- Job-readiness training (JRT)
- internship or subsidized employment
- short-term occupational skills training
- short-term unsubsidized jobs
- GED preparation

Such core activities were similar for OSY and ISY except that college preparation was a core activity for ISY but not for OSY, even though OSY programs were more likely than ISY programs to have an intervention focused on college entry.

The most common ISY interventions relied on a combination of the following services:

- reading or math remediation
- job-readiness training
- case-management services

The most common OSY interventions focused mainly on youths without a high-school diploma and included a combination of the following services:

- job-readiness training
- reading or math remediation
- GED preparation or alternative high-school classes
- internships or short-term jobs

YO participants commonly participated in at least one employment-related activity, at least one educational activity, and at least one other activity designed to support youths—for example, sports and recreation. Job-readiness training and life-skills training were the most common activities—roughly 45 percent of all participants participated in each. Table 4–1 shows participation patterns across the YO sites.

Table 4–1. Participation Patterns across 30 YO Sites, Excluding Native American Sites

Pattern and Type of Participation of Enrollees	% of Enrolled Youths Participating*
Education, employment and support services	43
Employment and support	19
Employment only	7
Education and support	7
Support only	6
Education and employment	5
Education only	3

Source: Management Information System data reports for non-Native American sites

*Does not add to 100%, because some enrolled youths did not participate in any activities.

The average number of hours of participation across sites was 563 per participant. The median hours varied widely, with some sites having more than 800 and other sites having fewer than 200 median hours of participation.

Our outcome and impact analysis did not follow YO participants specifically but surveyed eligible youths in the communities that the YO programs served. Although we found that penetration levels were not related to community-level employment and education outcomes, we examined whether, in high-penetration sites, the median hours of youth participation was correlated with employment or education outcomes in the YO sites. Again, the median number of hours of program participation, even in the high-penetration sites, was uncorrelated with the employment and education outcomes identified from the youth surveys in the YO sites.

Placements

Data from the MIS reports indicate that 41 percent of participants received placement (unsubsidized employment, education, or training).⁵⁷ Of those, just more than half received unsubsidized employment (60 percent of placed OSY and 45 percent of placed ISY were placed in unsubsidized employment). Sixty percent of ISY were placed in long-term education, and 14 percent entered training. Forty percent of OSY entered long-term education, and 22 percent entered long-term training.

Grantee differences in placement rates ranged from 90 percent to as low as 20 percent. Some of these differences may reflect different placement measures by the sites or differences in demographics. For example, older youths were more likely than younger youths to be placed, and high-school graduates were more likely than dropouts to be placed. Youth participation

⁵⁷ Several alternative definitions of placement are provided in the MIS Report. Thirty-eight percent is based on the defining placement based on a percentage of all participants. Alternative calculations indicate that (1) 82 percent of those placed or completing services were placed and (2) 46 percent of all “exiters” were placed.

levels were important; youths who had a greater number of hours and more varied service activities were more likely to be placed.

A regression analysis indicated that the following factors were predictive of a higher rate of placement:⁵⁸

- postsecondary school students versus high-school students
- among OSY, high-school graduates compared to dropouts
- older youths, until age 18, at which age, the placement rate plateaus
- Hispanics and Asians; others were slightly less likely to be placed, compared to Whites
- more types of services (education, employment, support)—meaning higher engagement with the program

Our analysis of outcomes from the YO program MIS for 25 sites reveals interesting differences between ISY and OSY. Of the 11,895 ISY who have obtained a long-term placement of some kind, 54 percent—nearly 6,500—entered either a community college or a 4-year college. Nearly 5,500, or 46 percent, of ISY who were placed were placed in unsubsidized employment. By comparison, OSY are much more likely to take full-time jobs than ISY who seek a placement. OSY were also less likely to go to college. Only 4,119, or 26 percent, of placed OSY entered any kind of college, while 60 percent of placed OSY were placed in employment.

Table 4–2. Comparison of Education and Employment Gains to Enrollment Levels for 30 YO Sites, Excluding Native American Sites

	OSY	%	ISY	%	Total	%
Enrolled	40,535		39,243		79,778	
Achieved HS diploma	2,391	5.9%	11,224	28.6%	13,615	17.1%
Achieved GED	2,343	5.8%	525	1.3%	2,868	3.6%
College placements	4,760	11.7%	7,609	19.4%	12,369	15.5%
Long-term occupational training placements	4,043	10.0%	2,101	5.4%	6,144	7.7%
Total training and education placements	8,803	21.7%	9,710	24.7%	18,513	23.2%
Job placements	10,935	27.0%	6,519	16.6%	17,454	21.9%
All long-term placements	18,239	45.0%	14,108	36.0%	32,347	40.5%

Source: Management Information System data reports for non-Native American sites.

We also examined whether the placement rates in the high-penetration (above 40 percent) sites were correlated with the employment and education outcomes in the community served by YO. Even in high-penetration sites, placement rates of the YO programs were uncorrelated with the

⁵⁸ For a complete description of the regression analysis, see the YO MIS report.

educational or employment changes documented by the youth surveys between the two points in time.

Changes That Emerged over Time in the Employment and Educational Outcomes of YO Communities

The correlational analysis described in the preceding section did not identify features of the YO program—their level of penetration, the intensity of their services as measured by median participation levels, or their placement rates—that appear to be associated with changes in the education and employment outcomes that we measured at two points in time from the survey of community youths in the YO target areas. But we found that many significant changes occurred in the YO communities between the two points in time of our youth surveys:

- Overall, the number of OSY declined by about 10.4 percent across the urban and rural sites, while the number of ISY increased by more than 15 percent. As a result, the estimated number of youths in the YO target areas increased by approximately 6.5 percent between Wave 1 and Wave 2, representing about 10,000 additional youths eligible to be served. However, the youth population declined in 6 of the 29 non-Native American sites.
- Overall, we find a higher growth in the younger age ranges in the YO target areas. This is consistent with our finding that the number of ISY in the YO communities increased, while the number of OSY declined.
- Community-level employment outcomes for the YO target areas declined considerably between the two points in time of our survey—for both ISY and OSY. Although the labor-force participation rates remained relatively unchanged; the employment rate declined; unemployment increased; and average hourly wages, hours worked, and percentage of youths working full-time all decreased.
- Examination of changes in employment rates for OSY between the two points in time in YO target areas shows considerable site variation despite an overall decline, with OSY in some YO areas actually experiencing a significant increase in employment rates.
- No significant change was found for the educational attainment or school enrollment for ISY. However, OSY improved on education-related dimensions—increased in the percent who graduated from high school or attended some college, declined in the percent of high-school dropouts or had neither a diploma nor GED, and significantly increased in the percent with a high-school diploma. Examination of changes among youths at the level of individual YO target areas indicates a wide site-level variation in education outcomes over time.

From these analyses, it appears that the lower employment outcomes and somewhat more favorable education-related outcomes in the YO communities between the 2001 and 2004 survey points could be a function of the changing composition of the population in those areas in addition to the general declining economic conditions during that period. With an increase in the percentage of younger ISY and a decline in the proportion of older OSY in those areas, the youths at follow-up may have different priorities and needs—for example, a stronger interest in combining employment with educational pursuits than in seeking full-time employment only.

However, the real test of what impact the YO program has had in these communities was to compare the employment and educational outcomes for YO communities with those from similar non-YO areas. Our analysis, as described in Chapter 3, used two different comparison-group approaches. We found that, when compared to youths living in non-YO communities and census tracts, the youths in the YO target areas had several positive employment and education-related outcomes—overall and for specific subgroups. We describe these impacts on outcomes as the “YO effect.” Although the two comparison-group approaches identified different significant impacts (or YO effects), only in one instance did we find significant effects in opposite directions (that is, one approach indicated a significantly positive impact on the female employment rate, while the other approach indicated a significantly negative one).

We found the following YO effects on employment to be significant:

- YO increased the labor-force participation rate overall and specifically for teens (16-to 19-year-olds), women, native-born residents, Blacks, and ISY. The YO effect was also positive in increasing the employment rate among Blacks, 16- to 19-year-olds, OSY, and native-born youths. YO also had a positive effect on the hourly wages of women and teens.
- On the other hand, YO reduced full-time employment among the employed overall and for many subgroups, most notably ISY and OSY, females, older youths, and whites. YO also appeared to decrease significantly the full-time employment rate for ISY.

The significant YO effects on education-related outcomes appear more substantial than the employment-related effects:

- YO had a positive impact overall on increasing the percentage of the youths with at least an eleventh-grade education, reducing the percentage of youths who were not in school, and increasing the percentage in secondary school.
- For several subgroups, the YO effect on educational outcomes was primarily positive: it decreased the number of 16- to 18-year-olds not in school and increased the percentage of 19-year-olds who were in secondary school. YO significantly increased the percentage of Hispanics enrolled in secondary school and decreased the percentage of Hispanic high-school graduates not in college. YO had a positive effect on school enrollment for foreign-born youths—reducing high-school dropouts and increasing their postsecondary enrollment.
- YO also appeared to have had a significantly positive effect on reducing the number of out-of-school and out of work (disconnected) youths overall and for males and females, 20- to 21-year-olds, Blacks and Hispanics, and native-born and foreign-born youths.

The only negative education-related YO effect was that it decreased the percentage of 16- to 18-year-olds and Hispanics who were high-school graduates in college. This result for Hispanics is somewhat puzzling because we also found that YO decreased the percentage of Hispanic high-school graduates who were not in college.

We recognize that the significant impacts identified through this analysis must be interpreted cautiously, given certain limitations of the analysis and, more importantly, several notable

weaknesses of the approach that we had to use. We have identified impacts on the basis of findings from two different comparison-group methods, each using a somewhat different pool of YO sites. On one hand, using these two methods may be seen as a possible strength because we have a “second opinion” of findings. However, using two methods might be a weakness because different data sources were used for the treatment and comparison groups within each approach. Also, the comparison groups and treatment groups were derived from different labor markets. These aspects of the methods suggest that these findings should be interpreted and used with caution. However, despite the limitations and inherent weaknesses of the methods used, YO appears to have made a positive difference, especially in several educational outcomes, for youths in many YO communities. In the following section, we report on what persons who worked and lived in the YO communities think about what difference the YO program made.

Perceptions about YO as Making a Difference in the Communities Where It Was Implemented and for the Youths Who Participated

For the process and ethnographic components of the evaluation, we asked program providers and partners, community residents and youths about what difference, if any, they believe the YO program made in the community. We heard from a variety of respondents that YO was perceived as successful in helping to address gaps in supportive services and to support skill development among participating youths. Further, many residents indicated that YO case managers served as positive role models for youths.

However, YO did not bring new employers to the YO communities or surrounding areas. The rise in unemployment during the time YO was operating meant that youths were increasingly in competition with adults for low-paying and low-skilled jobs. Our ethnographic analysis suggests that economic conditions in most YO communities likely hindered the ability of the YO program to place youths into any jobs, let alone the high-quality jobs that the YO program was seeking to create for youth participants. However, as documented in the ethnographic report, YO was seen as having definite benefits to its youth participants, including providing:

- a safe space
- quality youth and adult relationships
- enhanced training and education services
- opportunities to be productive

According to the experiences reported by project staff and partners in conjunction with analysis of sites with higher and lower levels of placement performance, revealing factors emerge:

- Unemployment rates and transportation barriers were major factors in whether projects would place youths in jobs, and those factors caused more successful projects to focus on educational attainments to help youths. By designing programs that fit the characteristics of youths as well as the labor market, projects were able to make significant gains in education or employment benefits for youths, which did not occur when projects ignored these factors.
- Although the types of youth-development services that form a program’s core activities are factors in job-placement rates, they are less critical to long-term education and training placements. A more critical consideration in both types of placements is the quality of

education and training methods and the level of resources expended, which was not systematically evaluated as an aspect of project implementation.

- Intensive case management is an essential element of good program design. Such service calls for case managers with special training and skills.
- The financial needs of OSY frequently preclude long-term education and training placements and are a major factor in the length of stay for OSY. ISY are more likely candidates for long-term education and training placements.

In addition to good program design, competent program management was a pervasive influence on project outcomes. Projects that were unable to accomplish average levels of program outcomes in one area of placements frequently failed in the others, too, because poor management influences all aspects of project implementation

Chapter 5. Summary and Conclusions

This report represents the culmination of a series of evaluation components that have been conducted to assess the implementation and impact of YO since its inception in 2000. The earlier process, MIS, and ethnographic study reports documented that YO was implemented in a variety of settings with differing levels of success, as measured by penetration rates into the eligible population of youths, levels of enrollee participation, and placement outcomes. Across all of the YO sites as a whole, however, the level of success was sufficient to suggest that the impact of YO in communities where the program was conducted was worth measuring. This report presented the results of that analysis and the implications of those findings.

We documented that the 36 funded YO grants were initiated during a period characterized by a national economic recession during part of that time. The nation's teens and young adults (16- to 24-year-olds) were the most adversely affected by these deteriorating labor-market conditions with declining employment and labor-force participation. Competition for employment became keener as less-experienced, less-skilled, younger job seekers competed with more skilled and mature workers for a limited set of employment opportunities. This economic condition characterized the early years of YO implementation and persisted beyond the end of the national economic recession in many of the high-poverty urban, rural, and Native American communities in which YO was implemented.

In this challenging economic environment, YO ratcheted up program operations quickly, and, during the approximately five years of operations captured by our review of program records, enrollments reached more than 92,000 participants. YO grantees made a concerted effort to reach and serve out-of-school youths (OSY), who have traditionally been very difficult to enroll in workforce programs. As a result, YO grantees enrolled about 52 percent of the eligible OSY in their respective communities. In addition, 26 percent of in-school-youths (ISY) in the 36 YO communities were enrolled in the YO programs, for an overall participation rate of just less than 34 percent of eligible youths over the 5-year period.

YO programs were built around a model of program services that featured:

- geographic saturation of their service area
- establishment of YO community centers
- provision of a youth-development framework to inform service delivery with an emphasis on intensive staff provision of individualized services
- long-term engagement
- partnerships and leveraging

YO enrollees participated in a mix of 15 available youth-development activities, with job-readiness training and life-skills training being the most common. But sports and recreation, short-term unsubsidized employment, internships, community service, and math and reading remediation showed ample participation. Further, most youths participated in multiple services during the course of their tenure in the program. Average hours of participation per participant varied widely across grantees and enrollees with some youths participating at much higher levels of intensity than others.

Data on YO outcomes documented that about 38 percent of all YO participants received a placement in unsubsidized employment, education, or training. Many others were not placed but were still receiving services at the last point at which we have data. Grantees differed widely in the percent of those they placed among youths who had stopped receiving program services, ranging from more than 90 percent to 20 to 30 percent. But older youths and high-school graduates were more likely to have been placed than younger youths and high-school dropouts. Also, youths who participated for a greater number of hours and participated in more varied service activities were more likely to be placed.

DOL's intention was that YO would make a sufficient difference in the lives of and resources available for the youth participants that it would affect the broader conditions for youths in the communities where it was implemented. As a result, DOL expected that community-level employment and education outcomes would change.

An analysis of BLS data for all U.S. central cities indicated that most faced substantially declining circumstances between 2001 and 2004. In sites where YO operated, we found that most employment outcomes changed negatively. In those same sites, educational outcomes did not change much for ISY, but a few educational outcomes changed positively for OSY. When compared to youths in similar sites where YO did not operate, youths in YO sites appeared to have fared considerably better on a number of dimensions. So YO's impact was more appropriately measured by examining it in comparison to locations with similar circumstances. We used several comparison-group approaches to accomplish that purpose.

The impact analysis that examined YO's employment and education outcomes concluded that YO had some positive impacts on labor-force participation overall and on the labor-force and employment rate for certain demographic subgroups, including the harder-to-serve younger age range and Black youths. Alternatively, YO reduced full-time employment among employed youths overall and for several subgroups, including ISY. The educational impacts of YO were more substantial than the employment-related impacts. YO effects were significant in increasing school enrollment for a number of subgroups, including secondary-school enrollment for Hispanics and foreign-born youths, and increasing some postsecondary-school enrollments. Overall, YO had a significant positive effect on reducing the number of disconnected youths—those who were both out of school and out of work. The negative YO effects that we found were concentrated mainly among white youths, whose labor-force participation and employment rate declined without a corresponding increase in educational outcomes.

We recognize that several limitations in our impact-analysis methods mean that the findings must be interpreted cautiously; however, the results do suggest that YO made significant differences in a share of these communities. Adults and youths in the YO communities attributed the program with providing

- a safe space for young people
- quality youth and adult relationships
- enhanced training and education services
- opportunities to be productive

Although persons interviewed in the process and ethnographic portions of the study described YO as not increasing the employment opportunities in most sites, the contributions the program

made to these under-resourced communities did not go unnoticed and may have been important in changing the life trajectory of substantial numbers of youths in many of those communities.

The YO grant and evaluation experience has implications for future programming and research. The findings suggest that positive community-level impacts may indeed be achievable for segments of communities such as those served by YO, especially with regard to educational outcomes that other research has shown to be important for future long-term employment success. However, the exact way in which these outcomes were achieved through the work of YO grants is still not fully understood, because levels of penetration into the eligible youth population, intensity of youth participation, or even placement rates of the YO program itself do not appear to be directly correlated with community outcomes.

Alternatively, perhaps through YO's role in establishing community partnerships that focused on serving youths or in heightening community awareness about youth-development and competencies, the YO program, working with other institutions, made a positive difference. YO's presence in school settings, with Workforce Investment organizations, and with other education and training providers in the communities may have helped to change those settings in ways that increased their accessibility and success in engaging youths, especially subgroups who were relatively more disconnected (for example, Blacks and younger age groups in employment settings and Hispanics and foreign-born youths in educational settings). The pathways through which the YO program was able to achieve these outcomes still must be better understood. But the apparent positive difference that YO made in some of the communities where it operated gives reason to refine further our understanding and programming for serving and ensuring the success of youths—a critical element of our nation's human capital.

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