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Executive Summary

The experience of working — whether it's a summer job, a college internship or weekend work during the school year — can enable young people to learn about assuming greater responsibilities, problem-solving and managing finances (earning, spending and saving). All of these are essential skills for a young person to become a productive and financially secure adult.

Nationally, only about IO percent of all young people ages I6 to 24 are unemployed.¹ But the unemployment rate for young people aging out of foster care is 47 percent to 69 percent, depending on age and gender.² This is a troubling finding because workplace experience is arguably even more critical for youth in the child welfare system. This brief is intended to help policymakers and service providers understand the barriers to education and employment for young people leaving foster care and help them design effective policies and practices to ensure these young people have the resources, relationships and opportunities needed as they transition into adulthood.

The Jim Casey Youth Opportunities Initiative at the Annie E. Casey Foundation focuses on creating opportunities for young people — ages 14 to 26 in the United States who have spent at least one day in foster care after their 14th birthday — to become part of a permanent family and achieve positive outcomes in the areas of housing stability, educational success and economic security and pregnancy prevention and parenting support. The Jim Casey Initiative works at the local, state and national levels to improve systemwide policies and practices, promote youth engagement, create community partnerships, ensure equitable services and supports and use research and evaluation to continually refine and improve strategies.

The Jim Casey Initiative's Opportunity PassportTM program is a matched-savings intervention that aims to improve young people's financial capability as they transition from foster care into adulthood.

This research brief examines employment data from Opportunity Passport participants who were at least 16 years old and completed at least three Opportunity Passport Participant Surveys (OPPS) since 2008. Employment characteristics include rates, full-time status, average hours worked per week, hourly wages and training experiences. The brief concludes with specific recommendations for how policymakers and service providers should use this information to more effectively support young people.

For this brief, data analysts measured improvement in these characteristics with age and termed it "economic progression." Economic progression was measured as sustained improvement in at least one of the characteristics, and was examined by age, gender and parenthood status. Where data were available, estimates were compared with the general population, using estimates from the nationally representative sample in the American Community Survey³ and the National

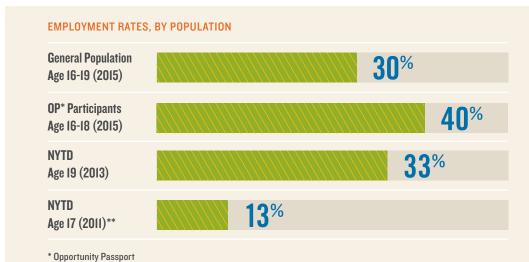
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Longitudinal Study of Youth (NLSY).⁴ Estimates were also compared to other data on youth transitioning from foster care from the Midwest Study ⁵ — a longitudinal study of over 700 young people aging out of foster care in three Midwestern states — and the National Youth in Transition Database (NYTD).⁶

KEY FINDINGS

- Employment gains for black Opportunity Passport participants trailed those of their white peers from ages 16 to 21. White participants were more likely to experience employment progression than their black peers from ages 16 to 18. While the gap between white and black participants narrowed between the ages of 19 and 21, black participants lagged behind their white peers.
- Young parents did not achieve the same economic progression as their non-parent peers. Parenthood was associated with fewer transitions to employment across all age groups.
- Young people who experienced group placements did not achieve the same economic progression as their peers who did not live in group placements. Group placements were associated with lower rates of employment and hourly wages from ages 19 to 21 and from ages 22 to 24.
- Young people with more foster care placements had less economic progression from ages 19 to 21 compared with those with fewer foster care placements.
- Opportunity Passport participants seem to be faring well in employment (figure below).
 A higher proportion of Opportunity Passport participants are employed compared with young people in the general population as well as 17- and 19-year-old NYTD respondents. However, the differences in employment outcomes among the groups could be due to differences among participants in those groups. While it is encouraging that young people in foster care are finding employment, it is important to consider that employment alone is not a universally positive outcome it could be due to necessity and lack of educational opportunity.

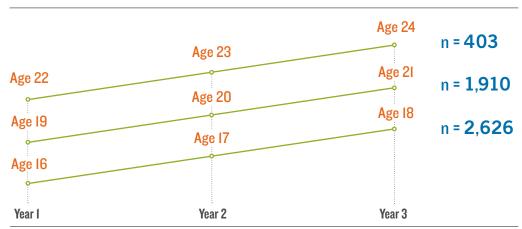


^{**} NYTD requires states to collect information on youth in foster care at 17, then follow up with these youth to collect more information at 19 and 21. Data collection on first cohort of 17-year-olds was in 2011.

Methods

The analytic sample included young people who were at least 16 and had completed at least three Opportunity Passport Participant Surveys (OPPS) since 2008. OPPS is a biannual survey taken by, over 80 percent of Opportunity Passport participants in April and October each year. The survey measures young people's sociodemographics (sociodemographics, in this instance, include age, gender, and race/ethnicity), education, employment, housing, health, financial capability, youth engagement and connections to adults, among others. To examine economic progression, analysts looked at patterns in economic characteristics for three age groups over three-year spans — those 16-18, 19-21 and 22-24. For example, analysts assessed economic progression for 18-year-olds by examining changes in their economic indicators at ages 16, 17 and 18. Where data were available and comparable, OPPS results are compared with other data sources from youth transitioning out of foster care and from the general population. The figure below illustrates the relationship between each age across the three age groups, and provides the sample sizes. For more information on the sample, see the Appendix.

DATA SAMPLES



For an example of changes noted in employment characteristics of a young person at each survey year and how they illustrate economic progression, please see the figure below. In this example, the young person progressed across each employment characteristic. Only statistically significant results were included in this brief, unless noted otherwise.

EXAMPLE OF A YOUNG PERSON'S ECONOMIC PROGRESSION





Results: Economic Progression

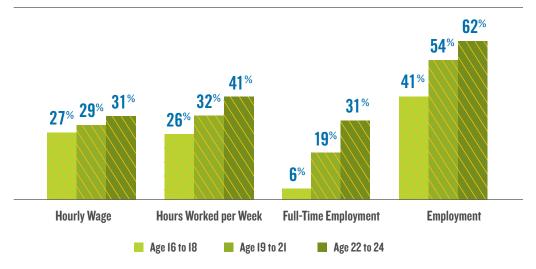
Economic progression indicates economic improvement across three survey periods, measured in the following ways:

- Employment: having a job at each age, or transitioning to and maintaining employment;
- Full-time employment: employed full time at each age, or transitioning to and maintaining full-time employment;
- Average hours worked per week: working more hours than in the previous survey without
 experiencing a decline in the intermediary period (measure accounted for working 40 or more
 hours per week); and
- Hourly pay: earning a higher wage than in the previous survey without a decline in the period in between.

Opportunity Passport participants have stronger economic progression than other young people with foster care experience and their peers in the general population.

The chart below displays a comparison of the progression rates across age groups for each employment measure for Opportunity Passport participants. Roughly 40 percent of those in the youngest age group had either gained or maintained employment by age 18, compared with young people tracked in NYTD, 33 percent of whom were employed by 19.7 Opportunity Passport participants in the youngest age group also had higher employment rates than their peers without foster care experience. In 2015, 30 percent of young people ages 16 to 19 in the general population were employed.8 Opportunity Passport participants were more likely to progress in employment from 21 to 24 (an increase of 8 percentage points) compared with Midwest Study participants who showed slight decreases, though Midwest Study participants were more likely to be employed full time.9

RATES OF ECONOMIC PROGRESSION FOR OPPORTUNITY PASSPORT PARTICIPANTS, BY MEASURE



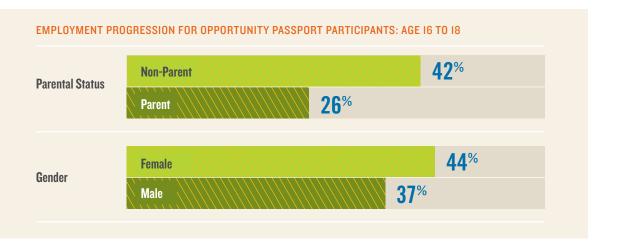
Economic Progression by Sociodemographic Characteristics

Next, variation in economic progression by sociodemographic characteristics was assessed. The characteristics — responses provided in the initial survey (e.g., at age 16, 19 and 22) — include gender, parental status, race/ethnicity, foster care experiences, school enrollment, work-related training experiences, housing stability and access to transportation. The results are organized by age group.

PARENTAL STATUS AND GENDER

Gains in employment vary by parental status and gender.

Across all age groups, Opportunity Passport participants who were not parents were more likely to experience employment progression than those who were parents. Female participants were marginally more likely to make employment gains between the ages of 16 and 18 than male participants. However, between the ages of 19 and 21, male participants experienced greater gains in full-time employment than female participants. These trends were also seen in the Midwest Study, which found that women had a decrease in employment from age 21 to age 24 — from 53 percent to 47 percent — due to a slip in part-time employment. Of men and women not employed at ages 19, 21 and 24, at least half were looking for work.¹⁰



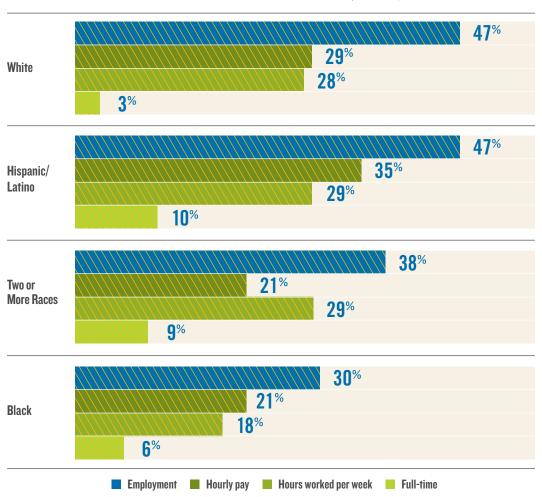
Gender disparities were smaller for young people in the general population. For instance, almost a third of men and women in this population — 29 percent and 32 percent, respectively — were employed at ages 16 to 19. By ages 20 to 21, employment almost doubled to 59 percent and 60 percent for men and women, respectively. By ages 22 to 24, 71 percent of men and 70 percent of women across the country were employed.

RACE AND ETHNICITY

Economic progression varies by race/ethnicity.

Racial and ethnic differences in economic progression were present at each age group. ¹² However, no clear, overarching patterns of disparate progression persisted across age groups and type of economic progression. The lack of a clear pattern is likely partially due to low sample sizes in several of the racial/ethnic groups.

ECONOMIC PROGRESSION FOR OPPORTUNITY PASSPORT PARTICIPANTS, BY RACE/ETHNICITY: AGES 16 TO 18



From ages 16 to 18, Latino and white participants were most likely (47 percent) to experience gains in employment. Black participants were least likely (18 percent) to experience increases in the number of hours that they worked per week. Black participants and participants reporting two or more races were also least likely to see gains in their hourly wage rate between the ages of 16 and 18, at rates of one in five compared with roughly one in three Latino and white participants seeing progression, respectively.

From age 19 to 21, economic progression again varied by race/ethnicity. The employment gains of Latino and black participants (54 and 48 percent, respectively) are comparable, but those gains

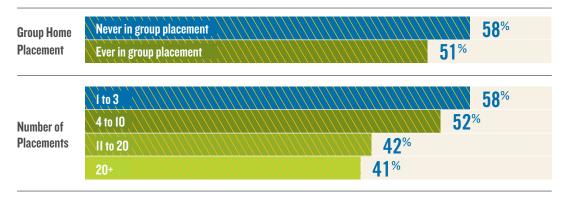
trailed that of their white peers (58 percent). It is important to note employment gains may not be universally positive as they could be associated with necessity more than opportunity. For example, a 19-year-old who has aged out of the foster care system may work full time instead of enrolling in post-secondary schooling, not because she chooses to, but because she does not have the financial resources that would allow her to work fewer hours and focus on furthering her education.

GROUP PLACEMENT EXPERIENCE AND PLACEMENT STABILITY

Employment progression between the ages of I9 and 2I varies by foster care placement experiences.

There is an inverse relationship between the number of foster care placements and economic progression from ages 19 to 21. Participants who had a greater number of foster care placements at age 19 are less likely to experience gains in employment or hourly wages by age 21. Of those who experienced 20 or more foster care placements, only about 40 percent saw gains in employment compared with nearly 60 percent of those who had fewer than three placements. Further, those who experienced group placements were less likely to experience gains in employment from ages 19 to 21 and from ages 22 to 24 than those who never had one.

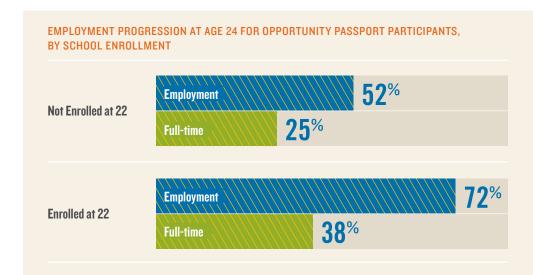
ECONOMIC PROGRESSION FOR OPPORTUNITY PASSPORT PARTICIPANTS, BY RACE/ETHNICITY: AGES 19 TO 21



EDUCATION

Education is associated with lower levels of employment at younger ages and with higher levels of employment at later ages.

At age 19, participants enrolled in school were less likely to have a job at 21. However, being enrolled in school at age 22 was positively associated with employment progression, full-time employment and hours worked by age 24. For example, 19-year-olds in the process of completing high school may be less likely to be employed by age 21 because by then they are enrolled in college. By comparison, 22-year-olds enrolled in school are more likely to be employed at 24 as they likely pursued higher education, increasing their employability. These relationships between education and employment by age were also found in the Midwest Study, ¹³ where educational attainment kept pace with employment.



The relationship between economic progression and education is not similar between young people with foster care experience and the general population. While just under half of the Midwest Study participants were employed at 24, 70 percent of a nationally representative sample of young people in the general population were employed at 25. When young people from the Midwest Study and the general population were matched on education attainment (e.g., comparing two 25-year-olds with college degrees), young people with foster care experience earned about half as much in wages and their employment rate was 20 percent lower. However, the gap in wages and employment between young people with foster care experience and the general population was smaller at higher educational attainment levels (e.g., comparing two 25-year-olds with graduate degrees).¹⁵





Conclusion and Recommendations

The analyses outlined in this brief shed light on the imbalance in employment progression for specific groups of young people aging out of foster care — such as young parents and youth with group placement experience — who especially need effective policies, programs and support that can help them gain work experience.

Several key actions and conditions can enable more young people to have equitable access to employment and education, including the following:

- Young people who have experienced foster care and employment and educational challenges
 must be engaged in designing solutions that can advance their well-being and success.
- Young people must have equitable opportunities to build supportive, caring relationships with adults who support their career development, education and employment goals.
- Post-secondary institutions must create housing options that are supportive of youth who
 have been in foster care and lead to credential completion, such as offering two-bedroom
 apartments to allow siblings to stay with the student and providing year-round housing to
 avoid risk of homelessness during school breaks.
- Evidence-based career development and employment services must be provided to prepare young people for livable-wage jobs.
- Child welfare agencies should ensure implementation of the Opportunity Passport
 program or other similar matched savings program to give young people the
 developmental experience of managing finances and making wise decisions about how to
 spend their savings.

The research on how to boost employment for young people with foster care experience is thin. In general, we know employment and earnings can be difficult to change. A 2014 review of independent living programs focused on employment for young people transitioning out of foster care found little evidence that employment programs improve long-term employment outcomes.¹⁶

Fortunately, some evidence-based programs are emerging. The Works WondersTM program for young people with foster care experience found skills training, career coaching and paid work experiences was associated with increased employment a year later. ¹⁷ Some employment programs for low-income young people and adults in the general population also found skills training to be an effective strategy. Specifically, skills training has been associated with increased training completion, credential acquisition, ¹⁸ targeted-sector employment and earnings. ^{19, 20}

There's also some evidence that providing training, stipends, mentorship and work experience to low-income young people²¹ results in higher earnings years after service provision.²² Of note, these programs are not the only evidence-based programs or practices targeting youth employment but more programs and research are needed focused on young people aging out of foster care.

While employment carries many benefits beyond wages — such as learning responsibility, organization and time management skills²³ — simply having a job is not enough; it must provide a living wage. Researchers estimate that 22 percent of employed young people who experienced foster care do not earn enough to rise out of poverty,²⁴ and 71 percent earn less than \$25,000 a year.²⁵ Young people must be connected to livable wage jobs and/or post-secondary education to break the cycle of poverty.

For more young people transitioning from foster care to adulthood to have the chance to succeed, they must have equitable access to employment and education. While results indicate that not all Opportunity Passport Participant Survey takers experienced economic progression and their gains varied by sociodemographic characteristics, efforts such as the Opportunity Passport program remain critical to supporting these young people in their efforts to work and earn, regardless of parental status, racial, ethnic and placement differences.



Appendix: Descriptive Data on Employment for Opportunity Passport Participants

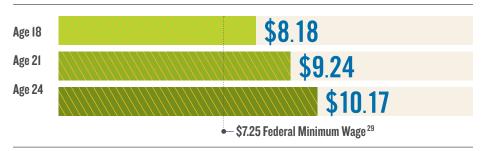
The following table describes the demographic characteristics of the survey takers by age group. The gender and racial distribution in each age group reflects the Opportunity Passport population, with an overrepresentation of females and white, non-Hispanic (NH) and black, non-Hispanic representing the largest racial/ethnic groups.

	AGES 16-18	AGES 19-21	AGES 22-24				
Gender							
Male	1,002	644	117				
Female	1,624	1,266	286				
Race/Ethnicity							
Hispanic/Latino, of any race(s)	374	238	39				
White, NH	1,046	706	115				
Black, NH	805	674	165				
Native American/Alaskan Native, NH	25	22	4				
Asian, NH	37	32	11				
Native Hawaiian or Other Pacific Islander, NH	45	46	24				
Other race, NH	50	40	5				
Two or more races, NH	244	152	40				
Total	2,626	1,910	403				

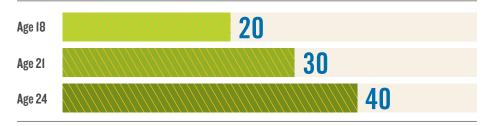
Both wages and hours worked increase with age.²⁶

The median wages per hour and number of hours worked per week are markers of economic progression. Among Opportunity Passport participants, both hours and wages increase with age; however, wages increase much more gradually with age than hours. At ages 18, 21, and 24, half of participants earn less than \$8.18, \$9.24, and \$10.17 per hour, respectively.²⁷ This is lower than earnings reported by male and female Midwest Study participants, who at ages 23-24 earned \$11.81 and \$10.13 in 2016 dollars.²⁸

MEDIAN HOURLY WAGE FOR OPPORTUNITY PASSPORT™ PARTICIPANTS, BY AGE

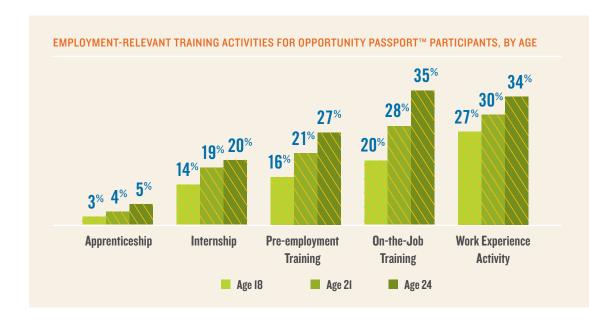


MEDIAN HOURS WORKED PER WEEK FOR OPPORTUNITY PASSPORT™ PARTICIPANTS, BY AGE



Participants engage in various employment-relevant activities.

Employment-relevant activities, such as an internship, serve as gateways to the workforce for young people in school or working to enter or progress in a career field. Opportunity Passport participants report engagement in several types of these activities. Twenty-four-year-olds were more likely than younger participants to report participating in nearly all employment-relevant training activities. Work experience activities include activities such as job shadowing or interviewing an employer. The largest difference by age was for on-the-job training, in which one in five 18-year-olds reported participation, compared with one in three 24-year-olds.



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