

# One in four young adults in Philadelphia are "disconnected" from both work and school

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Nearly 43,000 young people in Philadelphia are disconnected or disengaged from the work force.

One in four people in Philadelphia between the ages of 18 and 24 are "disconnected" from the labor market – out of school and out of work –

according to a new study from Drexel University's Center for Labor Markets and Policy. Nationally, only 17.7 percent of the age group were disconnected.

The report, released this month, was conducted by Paul Harrington, PhD, director of Drexel's Center for Labor Markets and Policy, and Neeta Fogg, PhD, a labor economist in the Center.

"These numbers are extraordinarily high," said Harrington.

"Disconnected youth are disengaged from school and work, both of which are considered 'human capital' building activities that add to the long-term productive abilities of individuals. The 'human capital deficits' among Philadelphia's disconnected youth are sizable."

Titled "The Human Capital Deficit of Disconnected Youth in Philadelphia," the study used the most recent three years (2011-2013) of American Community Survey (ACS) data to measure the size of the disconnected 18-24 year old population in the [city](#) and the surrounding suburbs. The researchers compared basic measures of the development of human capital traits for disconnected young adults and their connected counterparts including education, labor force attachment and prior [work experience](#).

Within the city, disconnection rates were as high as 38 percent in East Philadelphia and 29 percent in North Philadelphia. The Center City area was the exception with a disconnection rate of just 10 percent.

Disconnection rates were considerably higher among males than females at 28.5 percent versus 22.7 percent. Youth residing in the surrounding Philadelphia metropolitan area were only half as likely to be disconnected as their counterparts residing in the city.

**If these young people aren't in school or at work,**

## where are they?

They are "essentially idle," the report states, "at a time in their lives when most [young people](#) are intensely investing in the development of their long-term productive abilities and simultaneously making key career and life decisions that will impact the quality of their lives and the lives of their children for decades into the future."

"Young people are making very important life decisions about where they are headed in life – whether they are cognizant of that or not – decisions about schooling, job prospects, family formation, drug and alcohol use and so on," said Harrington. "Seventy-five percent of young people are making good choices, but 25 percent are disconnected from the productive side of life and this does not bode well for them in the future."

## Human Capital: Educational Attainment

A look at the educational attainment of the city's youth reveals sharp differences between the educational attainment of disconnected youth and their counterparts who were engaged in work or school.

Disconnected youth had considerably lower levels of formal [educational attainment](#) than youth who were connected.

In 2011-2013, nearly 30 percent of the city's disconnected youth had dropped out of school without a diploma or a GED, compared to just 2 percent of their connected counterparts. Completing some college education or a college degree was also much less prevalent among disconnected youth.

"Education is a very powerful determinant of future earning potential and long-term employment," said Harrington. "Disconnected youth

overwhelmingly had lower levels of education."

## **Human Capital: Current Labor Force Status**

An examination of the labor force status at the time of the ACS survey indicates that disconnected youth were considerably more likely to have stopped their efforts to supply labor than their connected counterparts. Over half of the city's disconnected youth were not even looking for work at the time of the ACS survey and had quit the [labor force](#) entirely.

"By definition, disconnected youth don't work, and many aren't even looking for work," said Harrington. "Quitting the [labor market](#) entirely remove pathways to employment and pulls youth further away from the labor market, sharply reducing their chances of future engagement."

Among the city's connected youth, only 7 percent were unemployed (not working but looking for work) and the remaining 62 percent were employed.

"These are wildly different groups of kids," said Harrington.

## **Human Capital: Prior Work Experience**

Deficits in work experience were also sizable among the city's disconnected youth. A look at the past employment experiences of disconnected youth reveals a very poor employment history. Over half (53 percent) had last worked more than five years previous to the ACS survey or had never worked before, and another 20 percent had last worked 1-5 years prior to the survey. Only about one-quarter of the city's disconnected youth had last worked during the 12 months prior to the survey.

Furthermore, among those who had worked during the past year, the intensity of work—hours and weeks of work—was much lower among disconnected youth compared to youth who were engaged in school and/or work. Thus even among the one-quarter of the city's disconnected youth who did work in the prior 12 months, the considerably lower weeks and hours of work among them means that even when they were employed in the past, disconnected youth had accumulated much less work experience than youth who are engaged in the labor market and/or schooling.

"This is just unbelievable," said Harrington. "More than half of these kids have not worked in 5 years – which means they have basically never worked – and 20 percent have not worked within the last year of the survey. In contrast, out of their connected peers, 71 percent have worked in the past 12 months. These are gigantic human capital gaps."

## **Pathways to Connection**

According to the report, efforts to reengage disconnected youth with school and work will be met with the sizable education and work experience barriers that will need to be bridged before disconnected youth are ready to engage in the labor market.

One organization cited by the report that is designed to build pathways for teens and young adults to build is the 100,000 Opportunities Initiative. The initiative, launched this summer in Chicago, by a group of major employers, including Walmart, Starbucks, Target and CVS, is the first large-scale employer-based effort that recognizes the need to engage disconnected youth in the [labor](#) market – making investments in their human capital through education, training and work experience in an effort to raise their level of employability.

"Efforts in the city to engage employers like those that began the

100,000 Opportunities Initiative are a key part of any strategy to alter the existing pathway toward disconnection and the social and economic pathologies that often characterize the life of young people who are adrift from [work](#) and school," the report states.

**More information:** "The Human Capital Deficit of Disconnected Youth in Philadelphia"

[drexel.edu/~media/Files/now/pdfs/The](https://drexel.edu/~media/Files/now/pdfs/The)

[%20Human%20Capital%20Deficit%20of%20Disconnected%20Youth\\_  
Philly%20final.ashx?la=en](https://drexel.edu/~media/Files/now/pdfs/The%20Human%20Capital%20Deficit%20of%20Disconnected%20Youth%20Philly%20final.ashx?la=en)

Provided by Drexel University

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