Reconnecting Opportunity Youth

The Issue | The Impact | The Opportunity for New Orleans

Data Reference Guide
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The Scott S. Cowen Institute for Public Education Initiatives at Tulane University

The Cowen Institute is an action-oriented think tank that informs and advances solutions to eliminate the challenges impeding the success of K-12 education in New Orleans and beyond. It also serves as a clearinghouse for K-12 public schools in New Orleans to directly access the myriad experts and resources available at Tulane University. Our work is in the following key areas:

- Applied Research
- Public Policy
- Civic Engagement
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Opportunity Youth are young adults aged 16-24 years who are neither connected to school nor work. Often referred to as disconnected youth, these young adults are also described as Opportunity Youth because of the potential value they could add to their communities.

This reference guide presents a snapshot of the impact of Opportunity Youth at the national, state, and metropolitan levels and includes the educational, socioeconomic, and demographic risk factors associated with Opportunity Youth. Due to their disconnection, data regarding the Opportunity Youth population is not readily available; the data included in this booklet comes from a variety of sources.

The Issue

In the United States, 6.7 million youth aged 16-24 years are considered Opportunity Youth.

In the New Orleans metro area\(^i\), between 12,195 and 15,781\(^iii\) low-income youth aged 16-24 are considered Opportunity Youth.

Source: Opportunity Road: The Promise and Challenge of America’s Forgotten Youth, January 2012
Source: Building an Inclusive, High-skilled Workforce in New Orleans’ Next Economy, March 2012

\(^i\) This number is based on a national cross-section survey conducted in August 2011 by Peter D. Hart Research Associates.
\(^ii\) New Orleans metro area includes the parishes of Orleans, Jefferson, Plaquemines, St. Bernard, St. Charles, St. John, and St. Tammany.
\(^iii\) This number represents the number of disconnected youth at the 95 percent confidence interval during the 2008-10 time period as calculated by the Greater New Orleans Community Data Center.
In the United States in 2011, Opportunity Youth cost taxpayers approximately $93 billion in lost tax revenues and increased costs for social services. The total lifetime economic cost of all Opportunity Youth is estimated to be $1.6 trillion (or $258,240 per youth from the age of 16 years and older.)

The low educational attainment of Opportunity Youth impacts their rate of employment and economic earnings.

The average annual earning of a high school dropout is $18,900, compared to $25,900 for high school graduates and $45,400 for college graduates. Earnings estimates based on full-time, year-round employment dramatically illustrate the differences in the impact of low educational attainment over the worker’s lifetime. The estimated lifetime earnings of a high school dropout are $1.0 million (in 1999 dollars), compared to $1.2 million for a high school graduate. Individuals with a bachelor’s degree are estimated to earn on average $2.1 million over their lifetime, more than twice the lifetime earnings of a high school dropout.

Opportunity Youth experience higher poverty rates and unemployment as adults. Of adults aged 25-28 years, 59 percent of men who were once categorized as Opportunity Youth were unemployed, compared to 25 percent of men who never experienced disconnection.

Source: The Economic Value of Opportunity Youth

Source: Opportunity Road: The Promise and Challenge of America’s Forgotten Youth
The economic burden of Opportunity Youth extends beyond the costs to the youth themselves. Both taxpayers and society suffer when the potential of Opportunity Youth is not realized. The costs include lost earnings, lower economic growth, lower tax revenues, and the higher government spending associated with Opportunity Youth.

### Taxpayer Cost

The taxpayer cost of Opportunity Youth includes lost tax revenues and increased government spending on crime, health care, and welfare. Twenty-five percent of the total taxpayer burden is an immediate cost, incurred when the youth are between the ages 16 and 24 years. The immediate taxpayer burden is estimated at $13,900 annually for each Opportunity Youth; nationally, each year Opportunity Youth cost taxpayers $93 billion (2011 dollars).³ For Opportunity Youth in the New Orleans area, this totals between $170 million and $220 million each year they are disconnected.

At the age of 25 years and beyond, Opportunity Youth continue to impose a cost on taxpayers; this future taxpayer burden — incurred over the rest of their adult lifetime — accounts for 75 percent of the total taxpayer burden. The future taxpayer burden is estimated at $170,740 annually for each Opportunity Youth; nationally, this totals $1.2 trillion (2011 dollars).⁴ For Opportunity Youth in the New Orleans area, the future tax burden totals between $2.1 billion and $2.7 billion per year.

The lifetime economic cost of each Opportunity Youth from the age of 16 years through his/her lifetime is estimated at $258,240; nationally this costs taxpayers approximately $1.6 trillion (2011 dollars).⁵ In the New Orleans metro area, the total lifetime taxpayer cost of Opportunity Youth is between $3.1 and $4.1 billion. These costs “roll over” each year because each year brings a new cohort of Opportunity Youth.⁶
The Costs of Disconnection

Social Burden

The social cost of youth disconnection includes the taxpayer costs, as well as those beyond the taxpayer, such as lost earnings, crime victim costs, and private spending on health care. The immediate social burden is estimated at $37,450 annually for each Opportunity Youth aged 16 to 24 years; nationally this totals $252 billion (in 2011 dollars). For Opportunity Youth in the New Orleans area, this totals between $457 million and $592 million.

The future social burden is the cost to society of Opportunity Youth beyond the age of 25 years; the future social burden is estimated at $529,000 annually for each Opportunity Youth; nationally this is estimated at $3.6 trillion (in 2011 dollars). For Opportunity Youth in the New Orleans area, this totals between $6.5 billion and $8.3 billion per year.

The lifetime social burden of each Opportunity Youth from the age of 16 years through his/her lifetime is estimated at $755,900; nationally this totals approximately $4.8 trillion (2011 dollars). In the New Orleans metro area, the total lifetime social burden of Opportunity Youth is between $9.2 and $11.9 billion. These costs “roll over” each year because each year brings a new cohort of Opportunity Youth.

Crime and Opportunity Youth

The Federal Bureau of Investigation (FBI) identified New Orleans as the “deadliest city in America” with a murder rate ten times the national average, four times more than cities of comparable size. Based on the latest data available, in 2009, there were 52 murders reported per 100,000 population in New Orleans. (St. Louis and Detroit are tied for second at 40 per 100,000 population.)

Louisiana’s teen-death rate has risen by 11 percent since 2000, and nearly half (46 percent) of teen homicide victims were residents of Orleans Parish.
Based on the population of youth living in poverty, youth in New Orleans are at high risk of being disconnected. Of males aged 16-17 years, 41 percent were living below the poverty level (federal poverty level is $22,350 for a family of four) in New Orleans, compared to 17 percent in Louisiana in 2009. Of males aged 18-24 years, 35 percent were living below the poverty level, compared to 21 percent in the state in 2009. Of females aged 16-17 years, 27 percent were living below the poverty level in New Orleans, compared to 20 percent in Louisiana in 2009. Of females aged 18-24 years, 39 percent were living below the poverty level, compared to 33 percent in the state in 2009.

Nationally, among young men who met the criteria for Opportunity Youth:

- 35% were from poor families
- 26% were from families receiving welfare
- 28% were from single-parent households
- 45% had a parent who lacked a high school diploma or GED

Source: Disconnected Youth: A Look at 16- to 24-Year Olds Who Are Not Working or In School: 2009

Of New Orleans teens aged 16-19 years, 15 percent were not attending school and not working, compared to 11 percent in Louisiana and 9 percent nationally in 2009.

Of New Orleans youth aged 18-24 years, 23 percent were not attending school, not working, and had no degree beyond high school, compared to 20 percent in Louisiana and 16 percent nationwide in 2009.

Source: KIDS COUNT 2011, The Annie E. Casey Foundation
Louisiana has one of the highest public high school dropout rates in the nation. A dropout is defined as a student who was enrolled in public school but did not return to school the following fall and was not expelled, did not receive a GED certificate, did not enroll in a school outside the public school system, or did not enroll in college.\textsuperscript{18} The cohort dropout rate is the percentage of students who entered 9th grade but dropped out before their expected graduation date. Louisiana reported a 2010 cohort dropout rate of 17 percent.\textsuperscript{19} In New Orleans, the 2010 cohort dropout rate was 28 percent for the Recovery School District (RSD) and less than 5 percent for high schools under the Orleans Parish School Board (OPSB).\textsuperscript{20} Early warning indicators of dropout trends include attendance rates, behavior and/or discipline referrals, and on-time course completion.

\begin{itemize}
\item Nationally — Louisiana ranks: \begin{itemize}
\item 49\textsuperscript{th} in “Indicators of Child Well-being”
\item 42\textsuperscript{nd} for teens not in school and not high school graduates
\item 40\textsuperscript{th} for teens not in school and not working
\end{itemize}
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Source: KIDS COUNT 2011, The Annie E. Casey Foundation

The Recovery School District in New Orleans reported 1,170 dropouts from the Class of 2010 and a cohort graduation rate of 49.7 percent.

Opportunity Youth Risk Factors

Lack Of Employment Possibilities Or Work Experience

In Orleans Parish in 2010, of the population aged 16-19 years in the labor force, 46 percent were unemployed, compared to 31 percent in Louisiana and 30 percent in the United States. Of youth aged 20-24 years, 27 percent were unemployed in 2010 in Orleans Parish, compared to 17 percent in Louisiana and 17 percent nationally.

In the New Orleans-Metairie-Kenner area, an estimated 3,200 students dropped out of the high school graduating class of 2010. Cutting this number in half would have considerable economic benefits to the community.

The additional 1,600 “new graduates” would:

- Earn as much as $20 million more per year, compared to their earnings as a dropout
- Spend up to an additional $15 million and invest an additional $4.9 million per year

The additional new spending would create 150 new jobs and increase the gross regional product by as much as $26 million. As a result of the higher wages and spending of these “new graduates,” state and local tax revenues would grow $1.9 million per year.

Source: Alliance for Education: Education and the Economy: Boosting the Economy in New Orleans MSA. 2011
The Opportunity for New Orleans

Based on the responses to a national survey, 73 percent of Opportunity Youth are very confident or hopeful that they will be able to achieve their goals. Seventy-seven percent believe getting a good education and job is their own responsibility and depends on their own effort. Sixty-nine percent want to make a difference in the lives of others.23

“It’s hard to dream when you’re trying to survive.”

Based on youth listening sessions in April 2011 in New Orleans, Opportunity Youth want to be hopeful. New Orleans’ youth live in a hard environment. Many have ideas of being successful but don’t know how to get there. They are focused on the day-to-day survival and not on the future.24

“Every young person needs and wants help and relies on caring adults to find the right way to say it: Don’t give up!”

Endnotes

4. Ibid.
5. Ibid.
6. Ibid.
7. Ibid.
8. Ibid.
9. Ibid.
10. Ibid.
11. http://youthempowermentproject.org
15. Ibid.
16. Ibid.
17. Ibid.
20. Ibid.
22. Ibid.

Resources


For more information about Opportunity Youth in the New Orleans area and ways the community can be involved to address the issue, visit the Cowen Institute’s website at:

http://www.coweninstitute.com/reconnecting-opportunity-youth/