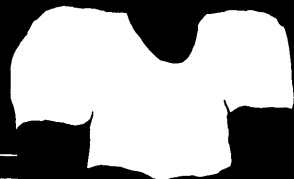
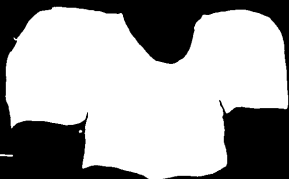
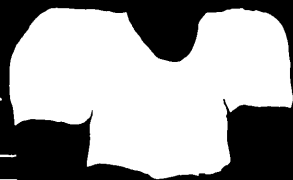
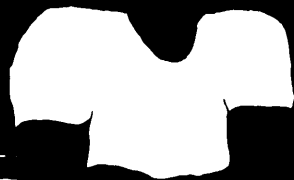
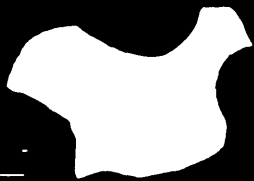


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U.S. COMMISSION ON CIVIL RIGHTS

The U.S. Commission on Civil Rights is a temporary, independent, bipartisan agency established by Congress in 1957 and directed to:

- Investigate complaints alleging that citizens are being deprived of their right to vote by reason of their race, color, religion, sex, age, handicap, or national origin, or by reason of fraudulent practices;
- Study and collect information concerning legal developments constituting discrimination or a denial of equal protection of the laws under the Constitution because of race, color, religion, sex, age, handicap, or national origin, or in the administration of justice;
- Appraise Federal laws and policies with respect to discrimination or denial of equal protection of the laws because of race, color, religion, sex, age, handicap, or national origin, or in the administration of justice;
- Serve as a national clearinghouse for information in respect to discrimination or denial of equal protection of the laws because of race, color, religion, sex, age, handicap, or national origin;
- Submit reports, findings, and recommendations to the President and Congress.

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YOUTH UNEMPLOYMENT

Presentations to the
United States Commission on Civil Rights

Washington, D.C.
September 18, 1980

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Introduction

On September 18, 1980, the United States Commission on Civil Rights held a briefing on youth unemployment before Arthur S. Flemming, Chairman; Mary F. Berry, Vice Chairman; Louis Nunez, Staff Director; and senior staff. The purposes of the briefing were to present information regarding the nature and extent of youth unemployment, to examine contributory causes, to identify specific civil rights issues, and to explore possible remedies.

The briefing panel consisted of four researchers into the issue of youth unemployment and its effect on minorities and women. The panelists were Bernard Anderson, director, Social Sciences, The Rockefeller Foundation; Sar A. Levitan, director, Center for Social Policy Studies, George Washington University; Richard Santos, senior research associate, Center for Human Resource Research, Ohio State University; and Isabel V. Sawhill, program director, Employment and Labor Policy, The Urban Institute.

Nature and Extent of Youth Unemployment

Panelists at the briefing agreed that youth unemployment remains a serious problem. Evidence presented based on the National Longitudinal Survey (NLS) of Youth Labor Market Experiences indicates that the unemployment situation for young people is more severe than had been previously reported. In the spring of 1979, the NLS found that 19.3 percent of all youths (aged 16-21) were unemployed, whereas the Current Population Survey for that time estimated that 14.1 percent of youths were unemployed.

Unemployment rates for minority youths are far greater than for white youths. According to NLS figures, 39 percent of black youths and 23 percent of Hispanic youths were unemployed in 1979, compared with 16

percent of white youths. Furthermore, over one-half of all black and Hispanic unemployed youth come from families where incomes were less than \$10,000, but only one-fourth of white youth fell into this category.

When earnings were considered as well as the extent of unemployment, panelists indicated that minorities are even worse off. Earnings differentials continue and actually worsen as the groups get older. Thus, at ages 16 and 17, white males average \$3.00 per hour, but by age 26 or 27, they are averaging \$7.00 per hour. Black males start at \$2.60 per hour, but 10 years later, their earnings have increased to only \$4.80 per hour. Comparable figures for white females are \$2.00 and \$4.00 and for black females, \$2.00 and \$3.50. Thus, current earnings and employment experience are partially predictive of future earnings.

Contributing Causes of Minority Youth Unemployment

Panelists were asked to explain contributing causes of the higher incidence of unemployment among minority youth. A wide range of possible causes was suggested, but major causes identified were the types of jobs available, location of available jobs, education, and discrimination.

The types of jobs that are available and their locations are closely related. Panelists argued that jobs for teenagers consist primarily of part-time jobs in restaurants and other retail establishments. Most of these jobs are not located in areas where minorities live but rather in suburbs that are overwhelmingly white. Thus, residential segregation leads to a pattern of employment segregation as well. Even if minority youth find out about service jobs located in suburban areas, they are unlikely to have the transportation necessary to travel to those jobs.

In addition to the lack of jobs near their homes, panelists believed that minority young people also suffer from generally poorer quality of education. Inner-city schools are often segregated and are often thought not to provide minorities with necessary skills for competing successfully in the labor market. This is especially true for high school graduates seeking full-time employment.

Civil Rights Issues

All of the issues raised relate directly or indirectly, however, to discrimination. Housing discrimination, which has produced residential segregation, leads to segregation in the job market as well, particularly for young people seeking part-time employment near their home. Discrimination in education leads to inadequate preparation for minority students to compete effectively for jobs with white jobseekers. Finally, discrimination by employers is still a major factor in higher unemployment rates for minority young people.

Employers may use racial stereotyping to deny employment opportunities to minority youth. They may consider them "high risk" employees

who will not be able to carry out the requirements of the job. One panelist reported on survey data that indicated that nearly one out of five blacks believed that racial discrimination was a factor in their not obtaining a job. More than one out of seven Hispanics believed that national origin discrimination was a factor. The panelist added:

I feel racism is still very pervasive in all segments of our society . . . I find it more ugly, more threatening today than it has ever been, simply because it has taken on a different face. It hides behind facts and figures. It hides behind testing. It hides behind employers' requirements [that affect minorities adversely].

Possible Remedies

The participants suggested a number of alternatives for improving the employment situation for minority youth. Most of these centered around possible Federal involvement in two areas: improving educational training for minorities and providing incentives to private industry to hire minority youth. Furthermore, panelists noted that better enforcement of antidiscrimination laws by the Equal Employment Opportunity Commission and the Department of Labor and greater coordination between agencies responsible for jobs programs and those responsible for equal employment opportunity enforcement would help ensure that minority youth receive an equitable share of jobs.

Proceedings

MR. NUNEZ. We would like to begin our presentation, even though I know many of our members aren't present. But we do have a heavy agenda, so I think we ought to begin. I want to take this opportunity to introduce Caroline Gleiter, the Assistant Staff Director for Program and Policy Review, who had the basic responsibility for arranging this presentation this morning.

MS. GLEITER. Good morning. We would like to welcome you and thank you very much for your agreeability about dates, which are finally coming to finalization at this point. We look forward to having a useful morning, so that we ourselves can make determinations about our program here. Thank you very much for coming.

MR. NUNEZ. By the way, let me introduce myself. I am Louis Nunez. I am the Staff Director of the Commission.

As I understand the format, we will have our guests make 15 minute presentations, one after another, and at that point in time we will open up for questions and comments.

One of the things that I think we, at the Commission, are quite interested in is to determine for ourselves, given the unique mandate of this Commission, what role we could usefully play in this area. The literature on minority youth unemployment seems to be becoming a college industry in this country. There is an enormous amount of work being done at the present time. So, perhaps you can help us with this dilemma.

Dr. Fleming.

CHAIRMAN FLEMMING. We appreciate very, very much the willingness on the part of those who are devoting so much time and thought to this particular area to spend the morning with us because it is an area of deep concern to the members of the Commission. And in the leadership role that

we have, we want to be as helpful as we possibly can, as the Nation confronts what is certainly a very, very serious problem.

Now, has there been agreement on the order of presentation?

MR. NUNIZ. No.

CHAIRMAN FLEMING. In the book here, Dr. Levitan is the first one on the list, and I might ask him, or Dr. Sawhill—if you have arranged an order among yourselves, why, that is all right also. But we have these initial presentations; then we can have a dialogue back and forth on these issues that are of common concern.

Dr. Sawhill, we are very, very happy to have you with us.

Presentation of Isabel V. Sawhill, Program Director for Employment and Labor Policy, the Urban Institute

DR. SAWHILL. Thank you very much. I am delighted to be here and have the opportunity to talk with you and with the Commission's staff about these issues.

I want, of course, to make the usual disclaimer that I am speaking as an individual this morning and not for the organization with which I am affiliated.

I thought that I would follow the outline of the questions which were sent out by the Commission staff. They seem to me to be the right questions to be asking.

Starting with the nature and the magnitude of the problem, there is no question that youth unemployment is a big problem in a statistical sense. About half of all unemployment is suffered by young people. The most recent findings from the National Longitudinal Survey suggest, in fact, that the problem is even worse than we previously assumed based on census statistics. And I happen to believe the NLS findings, because I think the survey is conducted in a way which gets at information that the Census Bureau doesn't.

The findings of the NLS for 14 to 21 year-olds are that the unemployment rate is 25 percent for blacks, 14 percent for Hispanics, and 12 percent for white youth.

Now, when we ask how socially significant the problem is, I think that is a more debatable question. We know that a lot of youth unemployment is not particularly serious. It represents a period of moving between school and work and from job to job early in your career when you are "trying out" the labor market. We also know that many youth have no family responsibilities and thus a not very permanent attachment to the labor force. They tend to live at home, and when they are asked why it is that they are looking for work when unemployed, over half of them say that they need money, but less than 10 percent of them say that they need it for self-support or to help out with family expenses.

At the same time, I think that we have to recognize that there is a relatively small group of youth within this larger group who are chronically unemployed, who are disproportionately black, disproportionately high school dropouts, and tend to be residents of poverty areas. So this is the group that I think the evidence suggests is seriously at risk and who we need to be most concerned with.

Every study that I know of has shown that the problem is much more serious and more significant amongst minority than amongst other youth. As I suggest in the statistics I just gave you, the unemployment rates amongst black youth, for example, are about double that of whites.

We have also discovered that the proportion of the black youth population which is employed is much, much lower than the proportion of the white youth population that is employed. And the trends in all of these statistics have been getting worse for blacks and better for white youth. The white youth employment to population ratio, for example, has been going steadily up over the last 15 years.

Hispanics, as a group, fall midway between white and blacks on most of the indicators that you could look at, although the area where they fall seriously behind all the other groups is in education. And, of course, they also have some language barriers which are quite unique.

With respect to women, the unemployment rates for young women are slightly, but not very much, higher than they are for young men. I want to mention, because I found it so interesting, that the recent NLS survey shows there has been a massive change in attitudes and in aspirations amongst young women.

In 1968, when these young women were asked what they expected to be doing when they were 35 years old, 60 percent of them said they would be homemakers. When the same question was asked of the same age group in 1978, only 25 percent of them said they expected to be homemakers. And there are many other questions that show a similar trend in attitudes and aspirations amongst young women.

Turning to the problems that young women have, it is in levels of pay rather than in unemployment. They tend to be employed about as much as young men, but they definitely are still earning less.

The opposite problem holds for minority youth. They have a serious problem in getting employed, but once they are employed, if we compare minority and white youth with the same educational background, they are now earning roughly the same wages.

When we ask why minority youth unemployment is so high and why it has been getting worse, I have to say, having studied this intensively for at least a year, that no one really knows the answer. I will give you a set of speculations about it that are based on some evidence, but I want to note that there is plenty of room for disagreement here.

I think one reason behind the problem is that we still have differences in educational attainment between minority and other youth, although those have narrowed substantially in recent years. I think also that there are still some differences in the quality of education and that we have to worry about the basic skills with which youth from some inner-city neighborhoods are being equipped. I am sure that I don't need to talk to Dr. Berry about these issues.

Another problem seems to be unequal access to the kinds of informal networks which help people become familiar with the world of work and help them to secure good jobs. The typical pattern for young people is to find jobs with some help from friends and relatives and contacts in the labor market, and if you come from a disadvantaged and minority background, you simply don't have that kind of assistance. And I think we have not fully understood or appreciated the importance of that kind of assistance.

All of the studies suggest that discrimination against minority youth is still very much a problem. I think we need to talk more about the forms which this discrimination takes. I think that it probably includes a lot of stereotyping of minority youth as high-risk employees and a tendency to not hire them for that reason, even when they have the best work record around.

Finally, although the evidence is not really terribly supportive of this hypothesis, I think something has to be said about the fact that minority youth tend to be concentrated in areas, particularly central-city areas, where there are a diminishing number of jobs. And when youth themselves are asked what they see as the single most important barrier to their employment, time and again they cite lack of transportation to where the jobs are.

The question has been raised many times about whether a lack of adequate jobs in the economy as a whole is responsible for youth unemployment. The answer, I think, is that full employment increases youth employment opportunities enormously. We know from all of our research that youth unemployment, and particularly minority youth unemployment, is extremely sensitive to the business cycle. So during recessions everybody loses job opportunities, but minority youth lose them in much greater proportion than anyone else. So, although I would say full employment is not a sufficient response to the problem, it is a prerequisite to almost anything else being effective.

One way to think about it is that there is a hiring queue in the labor market in which certain people are at the beginning of the queue and other people are at the end. I think minority youth, and particularly those with the least educational preparation, are at the very end of that queue. And the number of jobs available in the total economy determines how far down that queue employers are willing to reach.

Now, you can think of doing two things. One is to move those individuals at the back further up in the queue, and the other is to increase the total number of jobs so as to reach down to them. The problem with moving them up in the queue without expanding the number of jobs is it is just going to buck somebody else to the back of the line, and that is going to be resisted very strongly, in my opinion.

Another question is whether youth unemployment is the result of the abnormal growth in the youth labor force in recent years. I think this is not an important explanation, but I do think it has exacerbated the problem. Some of the research suggests that the relative wage levels of youth compared to adults have changed in response to the increased proportion of youth in the labor force, but that there have been fewer impacts on employment opportunities. But, again, I think we would have to say this is a factor which has lengthened the queue.

Finally, let me turn to ways in which the Federal Government has dealt with the problem. Our traditional employment and training programs have served a great many youth. As a matter of fact, if you take all of the youth who are currently between the ages of 14 and 22 years old, 7 percent of them have participated at some point in one of these programs; 17 percent of black youth have participated in an employment and training program and 12 percent of Hispanic youth.

When you ask what kinds of services they were provided, it turns out that it was largely summer jobs plus some short-duration, part-time work experience for in-school youth. These opportunities have been overwhelmingly in the public sector.

I think we have done too little with serious remedial education and long-term, intensive skill training, and I think we haven't focused our efforts sufficiently on older youth, who are often in more trouble and also tend to be more motivated to take advantage of such opportunities.

The Job Corps, which has been oriented towards more comprehensive remediation and longer term training, looks like a very good program, and most people feel that it should be expanded. All of the evaluations of it suggest that there are real long-term benefits for the participants who go through the kind of intensive and comprehensive remediation which is offered.

There is also a little evidence that simply helping kids learn how to look for and interview for a job pays off. I think, again, we forget how difficult it is for anyone—much less those people who are young and lacking in self-confidence and somewhat unsophisticated about the world of work—to simply find a job opening and go through an interview and manage to convince an employer to give them the job.

Finally, I want to make a plea for focusing more on the private sector. I think we ought to be providing more work and training opportunities in the private sector. You can think of using both sticks and carrots to move,

let's say, minority youth into private sector jobs. The stick is equal employment opportunity programs, and the carrot is various kinds of tax credits or wage subsidies with which we are now experimenting.

The new targeted jobs tax credit, which is heavily targeted on disadvantaged youth, is in its second year of operation now. I did some recent investigation of this program. It looks like it is being used. It looks as if there will be roughly 300,000 to 400,000 youth certified under the program this year. And I think that it has some potential for helping minority youth move into small businesses, where most of the jobs for youth tend to exist.

I think I should stop at this point to give Dr. Levitan an opportunity, particularly since he has been so chivalrous, and perhaps we can come back to my comments if you have questions.

CHAIRMAN FLEMING: Thank you very much, Dr. Sawhill. We appreciate that presentation. It is very, very helpful.

Dr. Levitan, we are delighted to hear from you.

Presentation of Sar Levitan, Research Professor of Economics, and Director, Center for Social Policy Studies, George Washington University

DR. LEVITAN: Youth unemployment among minorities may not be social dynamite, to use the phrase of the late James Connart, but it is still a cancerous growth. Dr. Sawhill's concise statement has shown the magnitude of the problem. However, despite these facts I feel that the questions raised by the Commission staff, for the purpose of this discussion, may be somewhat off the mark.

The staff inquiry on whether youth unemployment is the result of our economy's failure to generate jobs must be answered in the negative. The need is not to overhaul the economic system, as the fault may lie in other societal institutions.

Youth unemployment diminishes as the economy picks up and labor markets tighten. This happened, in part, during the latter half of the 1960s. At that time white youth unemployment declined to about 10 percent, but the rate for black youngsters remained at nearly double that proportion. Even with tight labor markets, I believe we would still see a very large residual of minority youth unemployment—particularly among black youngsters.

The fact is that the American economy has generated 12 million jobs in the final 4 years of the past decade, and many of these jobs require minimal skills that youths could fill. This job growth may not be large enough to absorb the total added labor supply, but it has been significant. Yet these jobs have been allocated to adults and new immigrants, legal or undocumented. The jobs often have been where the minority youths do not live.

Blaming youth unemployment, as many economists do, on the minimum wage is exaggerated and completely incorrect. Econometric evidence indicates that even without any minimum wage, the post-World War II period still would have seen high rates of youth unemployment. The minimum wage does seem to involve some costs in the form of reducing youth employment levels. Yet the wage floor cannot explain the full extent of youth unemployment—or even a majority of it. I would dismiss calls to end or reduce the minimum wage for youths, as a way of combating unemployment, since it has not been a primary cause of the problem.

As Dr. Sawmill suggested, there still exist many employer stereotypes about black youths and their role in this economy. Looking at the data, one finds that many employers do not accept black youths even when the government is willing to pay their salaries. The entitlement projects of the youth programs showed that in a number of cases the government was not only willing to pay the full wages, but also fringe benefits, unemployment insurance, and worker's compensation. Still employers hesitated to hire all the black youths for whom the government was willing to foot the bill. For these reasons, one should not underestimate the biases against employing youth and the negative impact of racial stereotypes even if conditions improve. In tight labor markets, discrimination against black youths may become too costly. But I suspect minority youth unemployment would still remain a problem even in the best of economic times.

I believe that the disturbingly high black youth unemployment rate is a long-run problem, although it may be somewhat alleviated during this decade as the supply of young workers declines. The data indicate that in the 1980s the black youth population will not be diminishing in the same proportion as white youngsters. Also, the entrance of females into the labor force may slow down during the 1980s compared to the 1970s. If that happens, employers will have to turn to other groups when filling their job vacancies. To that extent, it should help diminish or alleviate black youth unemployment. But, remember, there are also many undocumented aliens willing to take these jobs.

The causes of youth unemployment cannot be found exclusively in the labor market. One institution we have to examine is the educational system. The shortfall of the educational system has been well documented. Clearly, it is not a question of money or racial discrimination. Even a cursory examination of the sad record of the school system in this city should convince the Commission that the poor performance of the D.C. school system does not reflect denial of civil rights or equal treatment of minority students or inadequate funds to support the schools. But the schools are still not doing a good job. With the poor education that many black youths are getting in the public schools, there is some basis for the preference on the part of employers to hire other workers. Many black youths are simply not prepared to hold these positions even if they have the same academic

credentials. The schools are not the prime cause of the problem, but they have had a significant negative impact on minority youth employment prospects.

I may be getting into very dangerous grounds, but we must also look at family institutions as a cause of minority youth unemployment. If this is the case, then certain corrective action may lie outside of governmental intervention. Not that family structure is beyond the reach of government—the latter institution has numerous impacts on the family. However, the welfare state has not yet designed a comprehensive formula for establishing the stability of the family.

Some data may provide a better understanding of the problem. In 1978 there were 5.9 million black families in the United States. Of that total about 2.4 million, or 40 percent, were headed by females. Nearly one-eighth of all black families headed by a male lived in poverty, but half of the families headed by black females lived in destitution. Of the 4.2 million families with children under 18, 1.9 million families were headed by females. Only 45 percent of the black children lived with both parents.

The proportion of black children born out of wedlock has been rising steadily during the past four decades. In 1940, 14 percent of black children were born out of wedlock, but by 1977 this figure had risen to 52 percent. I do not know for sure what one needs in bringing up children—two parents or one. Yet, I am old fashioned enough to believe that two parents are better than one. This view is based in part on simple economic considerations. If a child is living in a female-headed family, then the chances are far greater that this youngster is living in poverty. In 1977 family per capita income varied widely by race and sex. For a family headed by a white male, the per capita income averaged \$5,831; and if the family was headed by a white female, it was \$3,181. However, for families headed by a black male, the per capita income in 1977 was \$3,935; and for families headed by black females, it was only \$1,913.

Labor market pathologies, including discrimination, continue to contribute to the forced idleness and deprivation of minority workers. Minority youths are the hardest hit by these negative factors. But the more crucial determinants of black deprivation and youth unemployment may be found in the structure of minority families and the deterioration of the public education system—not in labor market operations.

The provision of compensatory education and remedial labor market services may ameliorate conditions. But these corrective actions, as seen in the 1970s, have marginal beneficial effects and do not get to the root of the problem. This does not mean that we should give up on expanding job creation efforts, nor does it mean that we must let up on efforts to end discrimination within labor markets. However, the solution to minority youth unemployment problems will have to involve much more than just

labor markets; and other institutions, such as schools and families, will have to be considered.

Thank you, Mr. Chairman.

CHAIRMAN FLEMMING. Thank you very, very much for a very helpful presentation and raising some very important issues.

Dr. Santos, we are delighted to have you with us, and we look forward to your opening comments.

Presentation of Richard Santos, Senior Research Associate, Center for Human Resource Research, Ohio State University

DR. SANTOS. Let me begin by passing out something that will facilitate the presentation, and it can serve as background data and maybe will also bring out some issues which we may later want to pursue.

As most of you know, the statistics, I think, are alarming. In 1979 the overall unemployment rate of teenagers was about 16 percent, versus 6 percent for the Nation as a whole. The data that we are getting from the Department of Labor also indicate that this past summer was one of the worst for youth employment. In July 3 million youths were unemployed. This was representative of an increase of about over half a million from the previous summer. In fact, youth employment dropped this summer to its lowest ebb, to about 15 million, since July of 1977.

This dismal employment status of youth is compounded for minority and female youth. For example, over a third of the black youth in the labor force were unable to find work. But, as most of you also know, youth unemployment means more than statistics. Valuable young talent is lost to the Nation. And, in fact, there is a strong premise that these youth who have problems as youth—blacks, Hispanics, the poor, school dropouts, females—will more than likely continue to have their problems in their adulthood.

So I welcome the chance to be here today, to at least share some of the findings that I have made in working at Ohio State University. I took this last year off to concentrate on what I considered a very exciting project that would hopefully create some new youth employment policies and also will focus upon some of the findings that have been presented in the literature. I am referring to the 1979 National Longitudinal Survey of Youth Labor Market Experiences, which is funded by the U.S. Department of Labor. In this survey we are examining or interviewing, with personal interviews, something in the neighborhood of 12,000 youths across the Nation, representing a cross representation of youth, Hispanics, blacks, females, persons in the military as well.

My particular concern was that for the first time we are going to be looking at 2,000 Hispanic youths who we will be able to follow for 5 years. So it is not just one snapshot, but rather a moving picture of how youth

progress in the labor market. And in this sense I find it very exciting, and I would like to share with you at least some of our preliminary findings. Because of the constraints in terms of time, I would like to focus on both the nature and the magnitude of youth employment, some perceived barriers to youth employment, and also begin to focus on some special considerations of Hispanic youth.

The most striking thing that struck me as I looked at the 1979 NLS survey of youth labor market experience is that the problem of youth employment—measured by employment status such as labor force participation rates, unemployment rates, employment to population rates—is actually much worse than we had previously looked at. And in fact, youth participated in the labor market more extensively.

We used the same identical questions that the Current Population Survey used, the same identical questions. We found that among youth aged 16 to 21, our sample showed a one-sixth higher labor force participation rate, a 35 percent higher unemployment rate, and an 11 percent higher employment to population ratio. In fact, the NLS estimated that there were about 17.4 million youth in the civilian labor force; 14.1 million were employed; 3.3 million were unemployed. In March of 1979—we interviewed our youth during the spring of 1979—the CPS estimated a total of 14.7 million youth; 12.6 million were employed and 2.1 million unemployed.

What this means is that, according to the NLS and our findings, there were actually 1.2 million more unemployed youth than the Current Population Survey estimated, and that there were also 1.5 million more youth employed. The findings seem to go very closely with another one of our major revelations, and that is, the majority of youth today that are in school are also working. It is no longer an exclusive activity. The activities go simultaneously together.

One of the differences between the CPS and the NLS is that we interviewed the youth directly; the CPS estimates through the head of the household or some other responsible adult. In short, you are getting a proxy estimate.

The mother or the father may not know what the child is doing, may not have gone and knocked at McDonald's or filled out an application looking for a job, may not be actively seeking for work; or they may say, "Well, sure, my son works 10 hours babysitting and then during football games on the weekends sells soft drinks." But that is not work according to the parent's perception: "My son (or daughter) is in school." So, consequently, you get different labor force estimates.

We are finding, when we interview the youth directly, that there is a substantial difference, and we are getting different estimates. We are following this more closely. In fact, we are going to be doing, with the Census Bureau, much more detailed examination of this issue.

Measurement considerations aside, the unemployment problem is more concentrated among blacks, the very young, and females. These are where the survey differences are also the greatest.

Now, some people may say, "Well, most of these youth are in school, they live at home with their parents, and the problems, as soon as they age, are going to be erased."

I hold the view, to be sure, that many of these unemployed, when you look at their characteristics, are high school or college students. They are looking for part-time work as opposed to full-time work—they are not going to work a 40-hour workweek—and they are living at home with the parents.

The magnitude of the problem, as I see it, is not discounted by these characteristics, though, because many of the youth need to work. For example, a large proportion of the job seekers in our survey came from families with low income, and a substantial number of the unemployed females had children. For example, the majority of unemployed black and Hispanic youth came from families of incomes of \$10,000 or less, in comparison to only a fourth of the unemployed white youth. So, the income differentials are quite clear between those youth looking for work.

Secondly, among unemployed females, a third of the blacks, a fifth of the Hispanics, and 16 percent of the whites have already had children. This is one of the things we are finding quite critical in one of the health chapters that I have been working on. A substantial part of the health problem is teenage pregnancy. For males, it is accidents and injuries.

You may also want to know, How do the youth feel about the labor market? How do they see their problems overall? What are their perceptions of barriers? We directly asked the youth.

Again, a representative sample of 12,000 youth, aged 14 to 22 years, were asked if certain barriers ever caused them a problem in getting a good job. And as Dr. Sawhill mentioned, transportation ranked number two. Age discrimination was ranked number one. They felt, rightly or wrongfully, that employers discriminated against them because they were young. They didn't have the experience, and they felt that this was their major disadvantage.

With respect to the major perceived problems that young people felt that prevented them from getting a good job, 45 percent said age discrimination was the number one barrier. The second barrier was lack of transportation; 30 percent of the youth felt that this was a major problem in getting a job.

Now, interestingly enough, the minority youth had a higher proportion that felt lack of transportation was a major problem. Once more, this is closely tied in with residential segregation, as I see it. The jobs are not in the urban core areas. The jobs are out in the suburbs where transportation

is much more important. It is closely tied into the labor market in the sense that residential segregation affects their ability to get a job.

We asked them if race or nationality discrimination had ever prevented them from getting a good job, and 19 percent of the blacks felt—that is close to 1 out of every 5—felt that race discrimination did enter, at least they perceived it as entering, to keep them from getting a good job; among the Hispanics, it was 15 percent. Not surprisingly, 15 percent of the Hispanics felt that nationality discrimination entered into the picture; 10 percent of the blacks felt that this came into account.

There was a low proportion of whites that felt that either nationality or race discrimination entered the picture. One would assume in so-called reverse discrimination that they had been discriminated against, but in fact a very small proportion of the whites felt that race or nationality discrimination came into account in their situation.

Sex discrimination, 17 percent of the black females, 13 percent of the Hispanics, and 13 percent of the whites also felt there was discrimination.

The findings here seem to indicate that despite perceived equality of opportunity in this country, a substantial proportion of the minority and female youth feel still that race, nationality, or sex discrimination prevents them from getting a good job.

Let me focus on another issue, the special needs of Hispanic youth.

Hispanic youth have generally not gotten the attention, precisely, I think, because of the fact that the data collection has been such a problem. Only recently have we began to amass data on Hispanic workers as a whole.

We are finding out that Hispanic youth are in an intermediate employment status relative to blacks and whites, unemployment of 23 percent in our survey, in comparison to 39 percent for blacks and 16 percent for whites.

There are some other characteristics that should also be brought out about the Hispanic youth. I think the dismal finding that comes out of our survey is that one-fourth of the Hispanic youth have dropped out of high school already overall. This is age 14 to 22, one-fourth, 1 out of every 4 is already out of high school. When you look at the older youth, the dropouts approach close to 40 percent for Hispanic youth age 18 and older. In some of my other studies, I have started breaking it down by ethnicity; and it reaches as high as 48 percent, for example, among Puerto Rican youth that are dropping out of high school.

We also asked them, Why did you drop out of high school? Proportionately, more Hispanic youth than other youth—that is to say, black or white youth—cite financial difficulty as a major reason for leaving school. Once more it ties into the need for work during their time in school.

Other special considerations about Hispanic youth: There still is a substantial number of foreign born; about 25 percent or 1 out of every 4

youth is foreign born. Nine out of every 10 Hispanic youth resided as a child in a household where a language other than English was spoken, presumably Spanish. In short, it touches on two key issues that this country is currently facing. One is the issue of immigration laws, enforcement of those laws and how it affects the other three-fourths of the youth who are not foreign born. It also touches on the issue of bilingualism, particularly how it relates to the school system. Therefore, efforts to create youth employment opportunities must reflect the special needs of Hispanic youth.

One of the things that puzzles me is trying to find solutions to these problems. The reason it is puzzling is there is no one simple solution. The Vice President's Task Force on Youth—and I support one of its major conclusions—says that the problems are really too large and complex to be addressed by any one single institution; that is to say, the school systems, the employers, the government. The findings that we are obtaining seem to support the fact that a concerted effort has got to be done.

If a concerted effort is needed, it is appropriate to ask, What can the U.S. Civil Rights Commission do? My gut-level reaction is that the findings seem to be clear.

There seem to be clear residential patterns being set up, where the neighborhood segregation still exists, where minority youth are still blocked off from where the jobs are available.

There seems to be early in this stage occupational blocking. By this I mean that, at least for minorities, particularly in the case of Hispanic youth, that first job they are going to take is going to be their career job. Many of them are already starting to work in the factories.

One of the surprising things that we found when we looked at high school students who are enrolled in school, and we looked at the hourly wage rates, the minority youth had slightly higher hourly wage rates than the white youth. One of the reasons for that is the jobs that they are taking. They are taking the jobs that pay slightly higher because it is mainly factory jobs, as opposed to some of the service industries that pay lower.

I don't have the data yet to show this, but I am betting in the next 2 or 3 years if we look at that, that at least the Hispanic youth are already getting sealed into the factory, the blue-collar occupations, early in their working career and are going to stay there. And, in fact, it is usually the dead-end jobs.

I have done some work on the aging population of the Hispanics, and one of the things we are finding is they have no social security compensation, they don't have any pension plans, they don't have any retirement programs, they don't have Blue Cross-Blue Shield; and the reason for that is early in their career they were stuck in these dead-end jobs and weren't protected by unions.

In a sense, the pattern seems to be set up quite early in their career—these patterns begin to set in.

So, I hope that at least some of the findings today—I would be glad to provide additional discussion—will assist the Commission in at least creating some of the opportunities I think that will begin to break some of the youth employment problems that they are currently facing, causing a high proportion of the unemployment rates in this country.

CHAIRMAN FLEMING. Thank you very much, Dr. Santos.

Dr. Anderson, we are very happy to have you with us, and we would be pleased to have your initial presentation at this time. Thank you very much for arranging your schedule so that you could be with us today.

Presentation of Bernard E. Anderson, Director of Social Sciences, the Rockefeller Foundation

DR. ANDERSON. Thank you very much, Mr. Chairman. I have a brief statement here.

First, let me say that I want to apologize very much for the lateness of my arrival and the unfortunate necessity to leave before noon. But I did want to extend myself to come today and participate in this briefing and to respond favorably to your invitation out of the deep respect and admiration that I have for the work that this Commission has done over the years on behalf of civil rights. And maybe in this small way I can make some modest contribution to the rather significant record that this Commission has established in addressing these kinds of issues.

I am especially pleased to see Dr. Berry here. I just learned yesterday that you had been appointed, to the Vice Chair, I believe, but I think that is a tribute, certainly, to the Commission.

Well, I am sure with my distinguished panelists here that you have heard all of the statistics that you need to hear about the youth unemployment problem, and I don't want to beguile you with statistics. I would rather make a few brief comments and then engage in dialogue on these issues.

One thing that strikes me is that there is a great deal of discussion these days about the youth unemployment problem. Almost not a week passes without there being a workshop, briefing, seminar, seance, or some other interesting meeting dealing with this problem. And the Federal Government, State and local governments have spent billions of dollars over the past years in search for solutions to the youth unemployment problem. Yet, almost like a virus in the springtime, the problem simply will not go away.

Now, that doesn't mean that we are not making headway. I honestly believe we are making some headway in dealing with youth unemployment. As a result of extensive research efforts over the past several years and the accumulated research, really, of many years, the additional attention, the testing of new approaches, I think we know a great deal more now about the nature of the problem; and we know a few things

more about the efficacy of alternative approaches to the problem than we knew 10 years ago. I believe that we have moved some distance toward closing the information gap.

Now, that doesn't mean that we are making as much progress as should be made, or perhaps can be made, with a somewhat different combination of services made available to young people, an additional degree of commitment and involvement of public schools and other institutions devoting their attention to ways to improve the employability of young people and to improve this linkage between the entry of young people at an age of work and actually getting into the labor market.

There are one or two points I would like to emphasize about this that may possibly be of some benefit to the Commission, and I gather that most persons here are members of the Commission staff.

One is that there are data now being generated, both by the the Vice President's Task Force on Youth Employment, and I think Brandeis University is now beginning to release a series of studies based on the Department of Labor's work and the work of the Vice President's Task Force. That information, I believe, can be very valuable to organizations concerned with knowing what is going on out in the field and implementing youth employment programs, and what might be effective here versus there, and what some of the alternatives might be for effective ways of dealing with the problem.

Secondly, I modestly suggest that if you want a good overview of this problem that is succinct and yet very much on the mark that you avail yourself of the opportunity to read the book that Dr. Sawhill and I edited, which is a series of background papers for the American Assembly last year on youth employment. I say that not because Isabel Sawhill is here, but I must say that she did an excellent job in organizing that American Assembly and in thinking through the areas of emphasis for the papers; and I think they do give a very good overview of the nature of the problem, some of the analysis of approaches that have been taken in the past, and also some policy recommendations that I believe are worthy of serious consideration.

Now, let me move quickly to several points which might be helpful in having us focus on some of the serious aspects of the problem.

First, I am sure that some of the other panelists have alluded to the role of the demographic changes in the population as a contributing factor; the fact that we had in the 1960s, for example, the number of young people 16 through 24 increased by 57 percent, compared to an increase of only 19 percent of the labor force at large. Given that large number of individuals coming into the labor market, it would have been difficult under the best of circumstances to absorb this labor force increase. I believe that one of the reasons unemployment rates, at least for young people, have increased is simply because of the large numbers who have come in.

Now, if you look at that part of the problem through the 1980s and the 1990s, there is reason to believe that at least that part of the problem will subside somewhat in its seriousness, because the population is not expected to rise; you will not have quite as many young people coming in. But there is an other part of this that I think might be of special interest to the Commission, and that is that minority youth are not expected to decline significantly in numbers. So that what you are likely to see in the 1980s, certainly through the 1980s, perhaps the early 1990s, is a widening gap, at least so far as numbers are concerned, in the rate of growth in the size of the labor force between minority and other youth, with implications that one can readily see.

A second point I would like to call attention to is the disproportionate concentration of the youth unemployment problem among minority youth, whether you look at unemployment rates or employment to population ratios, and also the persistence of the unemployment problems of minority youth over time. You realize that for most of the last decade the unemployment rate among black youth has exceeded 30 percent. And I believe, if I am not mistaken, that in every year since 1954—when you consider the May 17, 1954, decision on the *Brown* case—in every year since 1954, the unemployment rate among black youth has exceeded 20 percent.

So we have had a quarter-century of extraordinarily high unemployment rates among black youth. It is a persistent problem. And I think that that part of the problem, the disparity between minorities and others, gives this problem a great deal more urgency than one would normally associate with simply high unemployment rates. The unemployment rates among young people in Europe are high in some countries, and they are high in other places. But it is the disproportionate concentration of this problem on minority youth that I think is especially troublesome and is certainly the legitimate cause for a great deal of public concern with the problem.

I would add that, although it isn't often emphasized, it does appear that young women seem to have a difficult time, in many cases more difficult than is true of young men. Of course, whether you look at the racial characteristics of this or age, it is also important to point out that many of the young women who have labor market difficulties are heads of families. That is, they are teenage mothers or young adult mothers. They have family responsibilities, and so the consequences of labor market difficulties for that group could be rather severe, not only for themselves but also for the next generation. I think that is a group, especially the young teenage head of household or the teenage unwed mother, that is deserving of far more attention from public policymakers than that group appears to be getting at the present time.

Obviously, the problem is related to some extent to a shortfall in the number of jobs, but let me say this: I don't think that one can argue very strongly with a great deal of evidence that job creation in the American

economy has been inadequate. Since 1970 the American economy has created more than 20 million new jobs. That perhaps is the largest amount of job creation in any comparable period of time, certainly since World War II.

The problem isn't so much the number of jobs that are created, and I am factoring out for this part of the argument the recessions—obviously, if there are recessions, there are more people competing for employment, and then youth are going to be adversely affected. But the point is that we can't say, "Well, if we just create more jobs that will solve the problem," because we have created a number of jobs.

One of the problems is that many of the jobs that have been created have not been concentrated in areas where many of the young people are located, especially the minority youth. And in addition to the disproportionate concentration of jobs in certain locations, there has been competition among groups, I believe.

Now, the evidence on the competition, for example, between women coming into the labor force and youth is a little sketchy. I haven't seen the evidence that would convince me that there are large numbers of youth who are unemployed because of the increasing labor force participation of women. I don't believe that one can make that statement with any strong degree of support. I don't doubt, however, that to the extent that there has been the confluence of forces affecting the increase in participation of women and the larger number of youth, there would have to be some competition in the labor market, and that would further reduce the degree of employment opportunities, to some extent, made available.

I believe the public schools must share a major responsibility—not the major, but a major part of the responsibility for this problem. The young people come out of school, and they know nothing about the labor market. If they are not college bound, they get no counseling that is meaningful. They do not learn very much, if anything, about what an employer needs or wants. How can one expect young people to move into the labor market easily if what happens during 12 years of school has no relationship to the job market?

I agree with Richard Santos that there is no one solution to this problem, but in any combination of approaches to this problem, certainly doing something about the public schools has to be pretty close to the top of the list.

Now, what about discrimination? My view is that race and sex discrimination undoubtedly play some role in youth employment problems, but discrimination alone is not the major determinant of joblessness among either minority or female youth. Few people would suggest, for example, that discrimination has increased substantially in the past 25 years. If anything, the evidence is just the reverse. There is probably less

overt discrimination, less systemic discrimination in the American economy today than there was 25 years ago.

Yet the problem of unemployment, measured in unemployment rates and employment to population ratios, has gotten worse, and it has gotten worse for the minorities. Well, if discrimination is the problem, then how is it that the problem has gotten worse while discrimination has receded? It is difficult to make that argument with any degree of confidence.

I would say that this problem, in my view, is largely structural in character, and the solutions to the problem have to be sought in a variety of structural approaches, rather than the toolkit of antidiscrimination policy. Now, that does not mean that there is not a role for antidiscrimination policy in dealing with this problem. I think that one must always be vigilant against race and sex discrimination. But I think that we should not labor under the impression that if we can simply reduce discrimination, defining that as we normally do, that we will solve this problem.

Antidiscrimination policies alone will not solve this problem, and I would simply suggest, for those of you who want a more complete description of that point of view, to take a look at William J. Wilson's book on the declining significance of race. I don't agree with Bill Wilson completely, but I think he propounds an argument that is worthy of the most serious consideration in looking at the nature of this problem as we see it revealed in so many different ways today.

I would say, in contrast to many of those who have been overly critical of government employment and training programs, that these programs have had some positive effects. They haven't solved the problems, but they have made a contribution to the solution of the problems; and any further amelioration of the problem would have to include a role for employment and training programs, a variety of programs.

We can't just say that CETA [Comprehensive Employment and Training Act] doesn't work, and so, therefore, we have to turn it completely over to the private sector. There is a role—a very major role, it seems to me—to be played through public policy of the employment and training type in concentrating on some groups that are in special need, that have special difficulties in the labor market, and through a variety of ways helping improve the employability of young people and helping them get into jobs where they will have some future career opportunities.

I think I would suggest several things as important next steps.

The first is that, insofar as public resources are concerned in focusing on this problem, those resources should be heavily targeted to the persons in greatest need; and they should be heavily targeted on minority youth.

There is no question that the young, teenage person who is the son or daughter of a middle-income person, whose income is \$40,000 to \$50,000 a year, who is trying to find themselves and who might be unemployed might be a problem to the father who would like the son to get out and

find a job. But I am not sure that that is the kind of problem that we ought to be spending billions of dollars of public funds to solve. That is not the cutting edge of this problem.

The problem is on 125th Street and Lennox Avenue, and in Hough in Cleveland, and in Watts in Los Angeles, and in North Philadelphia—I am not familiar with Washington, but I am sure there is a ghetto around here somewhere. The point is that that is where the problem is, and that is where the public funds should be concentrated; and we just have to find a way to see that we don't fritter away funds sending them out to Orange County, California, where the median income is among the highest of any county in this nation. We have got to concentrate very heavily, it seems to me, on those persons in greatest need.

Second, we have got to find a way to get the schools to do a better job in preparing the employability of young people so that you can reduce the potential for unemployment, certainly among high school graduates, and also by showing young people that there is a relationship between what happens in school and what later happens in the labor market so that they will be encouraged not to drop out of school. And I believe that that would happen, that if many young people could see that studying harder in school and having better attendance records and so forth could pay off for them through a job opportunity that provides them with some entry into a career track, then maybe they would be encouraged to stay in school and not drop out as frequently as they do.

Third, I think we need selective job-creation efforts, and we have to find some way to increase the total quantity of job opportunities in areas where many—certainly where many minority youth reside. This can be done in a variety of ways, by giving greater emphasis, for example, to the support for minority business enterprise; by a more creative and expansive use of devices such as the targeted jobs tax credit; perhaps enterprise zones that you are beginning to hear about; the selective use of public service employment.

There are communities where these young people live where there simply are not enough jobs, and the best way to reduce unemployment is to create more jobs, yes, but to create them in the places where the people are located. You can't expect a young person to go long distances from where they live in search for a job. And so you may have tremendous employment expansion in the suburban areas around Washington, D.C., and not have any effect on unemployment among young people in the inner city.

Finally, I think that we must continue to encourage the private sector to do more, and I believe the best way to do that is to support and promote more public-private partnerships, cooperative efforts, find ways to make it profitable for companies to hire economically disadvantaged youth. One way to do that is something like a targeted jobs tax credit. Another way

would be to have some period of forgiveness for the payment of social security benefits or unemployment benefits; that is, reduce the cost to employers for hiring some of the economically disadvantaged youth, and I believe that they then would see it in their economic self-interest to do it. And what you really want to accomplish, it seems to me, is some marginal increase in the volume of employment among economically disadvantaged youth in the private sector because, quite frankly, that is where most of the young people will find employment opportunities over much of their careers.

Now, with those introductory comments, I would simply commend these brief remarks to you and be delighted to answer whatever questions I can.

Discussion

CHAIRMAN FLEMMING. Thank you very much, Dr. Anderson. We are very appreciative of your presentation.

In view of the fact that your time with us is a little limited, and in view of the fact that you have identified one issue that certainly is of interest to the U.S. Commission on Civil Rights and is of interest also to other members of the panel, because it has been referred to not in quite the same way that you referred to it, but nevertheless identified by them, I would like to just get a little dialogue going on your discussion of the role of discrimination as far as youth unemployment is concerned.

I imagine that you and the other members of the panel had your attention called to the article which appeared in a recent issue of the *Wall Street Journal* on this question of, particularly, black youth unemployment. I notice you are one of the persons quoted, Dr. Anderson, in the article.

But this article did highlight what I would call the widening gap between the unemployment rate of white youth and minority youth, and it rested back on some of the studies to which reference has been made here today. The authors of that article came up with this conclusion and said, "Labor force experts agree that the foremost reason many young blacks can't find jobs is racial discrimination, which the experts say is no less real even though it is seldom blatant anymore."

I am in complete agreement with you and your emphasis on the fact that it is very unwise to identify racial discrimination as a sole reason for the kind of condition that is outlined in this particular article, or outlined in many other articles. At the same time, we feel, as a Commission, that we are at an important crossroads in the civil rights area generally, in that we are at a point in history where the major emphasis must be on implementation of laws that have been passed, court decisions that have been rendered; and there are forces at work in our society that like to do everything they can to blunt the implementation of the laws because

implementation of the laws disturbs the status quo, and when you disturb the status quo, why, you create opposition.

As you undoubtedly appreciate, there are some elements in our society who will say, "Well, yes, this youth unemployment is a serious problem, but if discrimination is not the real cause of it, then we don't have to put the emphasis that we might otherwise have to put on the enforcement of equal employment opportunity laws, particularly as they affect young people; we don't have to put the emphasis on affirmative action plans, particularly as they would affect young people." And then they begin to throw out some other very simplistic solutions. Dr. Levitan referred to one of them, get rid of the minimum wage as far as the youth are concerned and you will take care of this problem without any difficulty at all.

I am not in disagreement with your conclusion, but I am thinking in terms of the role of government, particularly in the civil rights field, thinking in terms of our monitoring responsibility. It seems to me that the evidence is clear that it is certainly not the sole factor, but it is still a significant factor in promoting or leading to youth unemployment, and significant enough that, as far as the government activity is concerned, the implementation of equal employment opportunity laws, as they affect young people, should be a high priority.

VICE CHAIRMAN BERRY. Before he responds, Mr. Chairman, I would like to add something to your point, because that way we won't have to ask the same question twice.

CHAIRMAN FLEMING. Okay.

VICE CHAIRMAN BERRY. Let me just say that, first of all, the Vice President's Task Force on Youth Unemployment, with which I was somewhat associated, told the President that racial discrimination and differences in the quality of schooling are major factors in the high rates of unemployment of minority youth, and that finding was one of the bases on which he made his proposal concerning this issue. We didn't have to be right, but we told him that.

The other point is that when we talked about racial discrimination, one of the things we were talking about was a point that was raised by Dr. Sawhill and Dr. Levitan before you arrived, the issue of stereotyping of minority youth so that opportunities were never even provided because of the understanding that minority youth were less likely to be successful than anybody else and would create all kinds of problems. And that stereotyping in itself was persistent discrimination. Nobody was sure exactly what to do about it, but when we talked about racial discrimination, that was one of the things we were talking about.

The other point I would make is that I also read William Wilson's book, *The Declining Significance of Race*; and the conclusion I reached was somewhat different from yours, although reasonable people may agree and friends may have spirited discussions at times.

The conclusion I reached was that for about the two-thirds of blacks who are what he calls middle class, so to speak, race is of declining significance in terms of the kinds of opportunities you get in society, but that for an underclass of blacks who remain at the lowest rungs, race may still be of great significance, and a major problem was that the affirmative action policies of the last 10 years, or since *Brown*, did not seem to have affected that group in terms of implementation.

So, I would just add that to the Chairman's point before we—I would be interested in knowing what you think, as well as the other people who raised that issue.

DR. ANDERSON. Well, I am sure you and I could have a very spirited discussion of what Bill Wilson meant when he wrote that, and I would enjoy that at some point.

But let me say that certainly discrimination plays a role, perhaps a major role in many communities. But I think that when one is searching the arsenal of weapons for dealing with a problem, with this problem, the question then is, Where should you place your emphasis?

Now, you mentioned affirmative action policy, and I would assume by that you mean the Title VII and OFCC [Office of Federal Contract Compliance], the Executive order operation. There is need to continue to be vigilant in the application of those laws and procedures, to be sure that every individual who is qualified for a job, or qualifiable in many cases, is hired on the basis of merit alone and not irrelevant factors such as race, sex, national origin, and so forth. That has to be part of the approach.

But, you see, the problem I have with this is thinking about what really is likely to work when you look at the problem in certain types of communities. Take Philadelphia, the city I was born in and reared, and perhaps know best. All of the affirmative action in the world isn't going to significantly make a dent in the unemployment rate of 16- to 19-year-old blacks in North Philadelphia, first, because there aren't that many jobs. There are not jobs for whites in an area like that. You just don't have the jobs in that community.

So, then, where are they going to work? Well, you have to be talking, then, about bringing them into the center city, perhaps, or dispersing them through employment opportunities that are outside the inner city. When one talks about bringing them into the center city, for those kinds of jobs you do run into stereotypes; and to the extent that that is an expression of discrimination, you can do something about it.

But let's say that you get beyond the stereotype, and I want to be perfectly candid with you, that you convince an employer that the kid who comes in with the comb in his hair and has the very heavy afro bush, and happens to have a stereo on his side that he brings in, that really doesn't have anything to do with his potential for productivity; you convince the employer of that. Then the employer gives him a test and

finds out that he can't fill out the application form, that he knows nothing about how to comport himself on the job, and that there are many other practical kinds of attributes that any employee needs to have to be successful on the job that many inner-city kids simply do not have.

Now, is that a matter of discrimination? That is, would you say to the employer, "Well, despite the fact that you have 10 people over here with all of the attributes that you could possibly want waiting for these jobs—" and I saw in the newspaper yesterday how many people were out here in Baltimore, 10,000 people, or 15,000, applying for 70 jobs. At least 10,000 of them were probably overqualified.

But then you say to that employer, and that happens to be a government employer, "Now, we want you to hire X number of minority youth." It just won't work.

The point is that you have got to narrow the attribute gap between these young people and those with whom they are competing, because we are not going to have the kind of resources devoted to the administration of Title VII and the Executive order that will do the job on as large a scale as needs to be done.

So, I guess, strategically, what I would say is if there is likely to be more support for some of the structural approaches that I mentioned, let's put discrimination to the side for a minute. Let's say, given the neoconservative drift of the country, that important forces are at work in opposition to strong affirmative action; but there may be other forces strongly at work in support of structural approaches.

Now, if those structural approaches will help you deal effectively with this problem, then you can get where you want to go by focusing on structural change, creating institutional change that better prepares minority youth, and I am speaking specifically here now of minority youth, for employment, while at the same time not overemphasizing the degree to which discrimination is responsible for the problem. And let me say, I don't know who those experts are that that *Wall Street Journal* article reported.

CHAIRMAN FLEMING. Well, they didn't identify them.

DR. ANDERSON. I don't know what Sar Levitan would say, but my impression is that there is not a consensus of view among economists in this country that discrimination—we just came from the American Economic Association meeting in Denver, and the economists are not of one view on that.

VICE CHAIRMAN BERRY. The points that were made before, if I understood Dr. Levitan and Dr. Sawhill correctly in what their statements were, they did agree that stereotyping was a major problem, number one. Two, that no one is suggesting that you focus only on racial discrimination. That isn't anyone's suggestion that I know about.

The point is that in developing policy initiatives one discovers very soon that no amount of incentives given to employers or job creation and the like, or no amount that has been done to date—maybe there is some figure that economists could come up with, that if you gave that amount of money to an employer, he wouldn't worry about stereotypes or worry about anything else; I don't know what that dollar amount is, and I am sure that there are different employers at different levels of incentive who would forget about it, and economists can figure that out, and I am not an economist. But we found that a major problem was that if you gave incentives, there were still folk who had these stereotypes; and even the guy who didn't have the comb in his hair or whatever you said, or the radio, because he was a minority youth, they assumed that he was going to be whatever way they thought minority youth would be and that they just wouldn't want to deal with that person.

So I am saying that most people would suggest that you ought to, in affirmative action policy, and most people I have listened to, that in an affirmative action policy you ought to have some focus on seeing to it that the guy gets a chance at the job and that stereotypes do not prevent him from doing it, and that any structural approach you take is going to be beset with the discriminatory aspect, stereotyping again—I am just using that; that is what I mean when I say that in this context—when you try to figure out how many dollars to give or what to do.

And then an additional point is that there may be some point at which, if you had enough jobs in the economy, so many jobs and not enough people in the labor force, that employers would hire these youth and forget about stereotypes. But I am not sure what the number of jobs is. Maybe economists, maybe you can tell us how many jobs we would need to have available and open, and how few people, before they would forget about the stereotypes.

So the only point we are making is that it does seem—I have been told, at least, that it is still a problem.

DR. ANDERSON. It is.

VICE CHAIRMAN BERRY. But not that it is the only problem.

DR. ANDERSON. I agree. Putting the question that way, I entirely agree with you.

CHAIRMAN FLEMMING. If I could go to your North Philadelphia illustration—I don't know North Philadelphia the way you do. I was on the board at Temple for 8 or 9 years. I got a little bit acquainted with it. But to what extent is the fact that the individual that you identified as incapable of filling out forms and incapable of making the adjustment attributed to the fact that the white establishment in Philadelphia refused to make the kind of resources available to the public schools in North Philadelphia that should have been made available to provide him with that kind of an opportunity?

DR. ANDERSON. A major contributing factor. And I guess I was speaking exclusively of discrimination in the labor market.

CHAIRMAN FLEMMING. Yes, I appreciate that.

DR. ANDERSON. And I think you are certainly right, and we need more emphasis, the continued emphasis on desegregation and quality education and discrimination in housing and all the rest. And that certainly contributes to the total environment of denial of opportunity in the labor market. I quite agree with you; yes, that is a major problem.

CHAIRMAN FLEMMING. They interrelate, I am sure.

Okay, let's ask the other members of the panel now if you would like to react to this particular dialogue, or if you would like to open up some other issues among yourselves in the light of the various presentations that have been made. I want to give you that opportunity. Yes?

DR. SAWHILL. I have a couple of comments. Let's suppose discrimination is a problem, and we all agree to that and don't argue for the moment about how much of the problem that accounts for. If you think about how to respond to the problem, I would like to go back to the point that I made very briefly about carrots and sticks.

Now, I think that we all have a certain revulsion against using the carrot to overcome a problem of discrimination. Why should you reward people who are doing something which is socially unacceptable? You would like to go hit them over the head and say, "Change your attitudes and give these kids a chance."

But I think the practical reality is that if you begin to impose tougher EEO [equal employment opportunity] monitoring on small businesses, which is where you would have to do it if you want to worry about kids, the likely result is going to be negative in terms of the opportunities for those kids. First of all, you can't really monitor all those small businesses except on a case basis, and therefore, a lot of them are going to get away with the bad behavior anyway. All of you are going to do is create a fear in their mind that if they give a minority youth a break and they should end up having problems—and we know that youthful workers of all races often take time to adjust to the world of work, and you can have problems—and maybe it doesn't work out, you are afraid to let them go for fear of a discrimination suit being brought. And then there would be all the paperwork requirements of conforming with any new EEO requirements which we might impose on various small businesses. So, for those kinds of reasons, I think that it would be a mistake to sort of do anything beyond what we are doing now.

I think that we should go more with the carrot approach. I don't entirely agree with Dr. Levitan on the lack of success in the entitlement program with subsidies for private sector employers. I read the report recently on that experience, and some of the private employers, yes, were somewhat negative; but many of them felt very positively about the program, and

they were taking on very, very disadvantaged youth. They were very young, they were between 16 and 19 years old, they had to all be from very disadvantaged families, a very high proportion were minority, and many of them gained access to regular private sector jobs through that route.

Two other points I would like to make. One is that one thing that your Commission could do would be to worry more about coordination between EEO programs and manpower programs.

Let's suppose you have monitored, the Equal Employment Opportunity Commission has monitored a large company and found a pattern of discrimination. The word ought to be going out to the manpower folks in that community to be referring trained or prescreened minority candidates to that company.

As far as I can figure out, there is very little of that going on right now, although when I was with the National Commission for Employment Policy, we had some discussions with Eleanor Holmes Norton and with the Vice President's Task Force about moving toward greater coordination. So I think that would be something that you could concern yourselves with.

The final point I guess I would like to make is that it seems to me that minority youth get their cues from what they see going on in the economy and the society at large, and particularly what they see going on with respect to adult members of their own group. And I know John Porter, who was a member of my previous commission, used to make the point, which I always thought was a telling point, that as long as minority youth are aspiring to be basketball players, because that is the only success story they see in the adult world, things aren't going to change very much.

So I would say again that the priority should be eliminating discrimination against adults and particularly against adult minority women. Sar Levitan has told us the story of what terrible shape they are in and the incredible family responsibilities they have. If we can put more emphasis there, I think that in the long run that will really help the youth situation out a lot. I would hasten to add that you can't just wait for the long run to take care of this problem, so I also agree with Dr. Anderson that one needs some job programs and so forth in the short run to take care of the problem.

CHAIRMAN FLEMMING. Dr. Levitan?

DR. LEVITAN. I think this panel is in general agreement about the need to create jobs. I happen to be a strict interpreter of the Constitution, and I believe the Constitution says that the welfare of the people is a function of the Federal Government. If you find in our population a kid who is hungry or who is wet or who is cold, then it is the function of the government to give the wherewithal for the child to be kept warm, well fed, and also dry.

Therefore, the reliance upon the private sector as far as Title VII is concerned seems to be misplaced—sure there were black kids that were working as a result of the legislation. But the experience of Baltimore, which I followed quite closely, leaves little room for optimism. The prime sponsor in Baltimore, one of the best city employment programs, directed by Marion Pines, a well-known national figure—she tells us that she had difficulty in getting private employers in Baltimore to employ kids when she was perfectly ready—that is, with your and my money, namely Federal money—to pay the wages for those jobs.

There are lots of reasons. It is not necessarily discrimination on the part of the employer. The employer has unions. The employer has all sorts of provisions as far as working conditions. Let's say the entry wage in Bethlehem Steel or in Westinghouse in Baltimore is \$7 or \$8. To take a 17-year-old kid and put that boy or girl in that job is just not done in our society.

So, it isn't a question, again, of discrimination. Therefore, relying on the private sector, I would say, is not the very fruitful way to go.

The question then is, if we really are looking for a culprit, well, again, there was an exchange here about schools, and again North Philadelphia—you, Mr. Chairman, were an ATS for 9 years at Temple, and Bernie lived there for many years, so I will defer to you, both of you, about what happens in North Philadelphia.

But I do know something of what happens in Washington. And I will insist that since the Hobson case there has not been a question of shortage of money; there isn't a question of shortage of teachers; there isn't a question of racial discrimination. I don't believe anyone would accuse the superintendent of education in Washington of discriminating against black kids. I don't think the majority of the teachers discriminate against black kids. So why are our schools so lousy?

And we are trying always to avoid that it all starts with the family. If you look at the increased black youth unemployment, and if you look at the number of black kids being brought up in single-headed families, then you would find a certain correlation. I am not saying it is the only reason. I am not suggesting a cause and effect.

But the reason that we don't focus upon it, and the reason that we don't want to is the first thing when somebody says it, it is racism. Secondly, we are dealing with a very sensitive issue, beyond the scope of the Civil Rights Commission, the Labor Department, and the Department of Health and Human Services.

So, therefore, we focus again on the marginal things, and we refuse to look at the real problem. And if I am repeating what I said before, it is because I would like you to start thinking about that even if the Civil Rights Commission cannot take corrective action.

CHAIRMAN FLEMING. Well, I think it is a very important point, and sometime I would like to chat with you about the D.C. public schools. We have had four grandchildren either going through or who have gone through the public schools. I am not quite as pessimistic about the D.C. public schools as apparently you are. But sometime I will look forward to chatting with you about that.

Dr. Santos, you want to get back into it.

DR. SANTOS. Well, let me be quite blunt. I feel racism is still very pervasive in all segments of our society. I don't agree with the philosophy that it is declining, and in fact I find it more ugly, more threatening today than it ever has been, simply because it has taken on a different face. It hides behind facts and figures. It hides behind testing. It hides behind employers' requirements, that they fill out transportation slips, knowing full well that black kids aren't going to have transportation to work at fast-food industries. It takes the form of height requirements of 5'10 for police officers in the Southwest, realizing full well the average Hispanic height is 5'8. Yet the Marine Corps takes them at 5'6. It hides behind these faces very clearly. I see it hiding in Columbus, Ohio, where the NAACP has a discrimination suit against the school district for black kids being physically beaten by teachers in that school system.

So I don't share the view that racism is, in fact, declining. In fact, I see it being very pervasive in all the segments of society, especially in the school systems. The fact that the black kid can't fill out the employment form is a function of the fact that the school system hasn't taught him how to fill out those application forms. I reject the notion that youth unemployment is rooted in the structure of the black family. The structure of the Hispanic family has been very stable, yet the discrimination in terms of the employment patterns has been very similar to the black families.

I reject the notion that two-parent families are better than one. It is the quality of care that is given to a child, not the number of parents. Moreover, quality of care is closely related to income.

The large number of black families headed by females can be explained, among other things, by socioeconomic conditions; the black male has been pushed out of the family at one point in history through slavery or lack of jobs, through the welfare system that requires that no black man be in the household if that family is going to get welfare.

In addition, lack of income contributes to a high divorce rate. The single one cause of the high divorce rate in this country is not the fact that people can't get along together; they just don't have enough money to make it together. The family simply does not have the income. Personal debt ranks as the number one reason for the family difficulties in breaking up the families.

I am concerned about the structure of the black family, but I get worried when one talks about those things because it always focuses on the supply

side. In other words, the problem is yours, not society's. For example, the problems of Hispanic youth have focused on their ability to speak two languages. Therefore, if you got rid of your language problem, then you wouldn't be unemployed.

Well, we are finding out that the perfect English still does not get you into the high employment opportunities. These are the types of things that are continually overlooked. There is a relationship between the labor market and the family structure. Keeping and preserving the family is, I think, highly dependent not only on love and affection and those types of things that keep families together, but also on income and employment.

I honestly feel that racism still exists, and when I look at my regression equation when I did my dissertation, it clearly indicated that—after I controlled for education, controlled for labor market conditions, and other variables—about 20 percent of the earning differential still is not accounted for by supply factors. There is something else in there.

Also, I believe that it takes a two-pronged approach. If you have got Hispanic youth, for example, who are dropping out of school, no question they are going to have trouble; and I would support keeping them in school, supporting the bilingual school system. But they are going to need that extra push once they get into the labor market, and that extra push comes from Title VII. Affirmative action is still necessary and constant vigilance is necessary. This is the only thing that is going to ensure that what we are doing in the supply sector is going to work.

CHAIRMAN FLEMMING. Mr. Nunez.

MR. NUNEZ. Yes, I agree. As a father of two teenage daughters who are in the job market often, I am quite interested in this problem.

Has any work been done on determining what are the industries that employ large numbers of young people? I would think offhand that it is the retail establishments and the restaurants and that kind of activity. The point I am making, and I would like for all of you, perhaps, to comment on it, is that the growth of retail business in our society is in the suburbs. The growth of all these fast-food places is generally in the suburbs. Even as you drive out of Washington, where you see the McDonalds and the Kentucky Fried Chickens, they are not in the middle of the ghetto; they are on the periphery, on the border. But when you really go out down Rockville Pike and you see a hundred fast-food places, where the majority of the youngsters that work there are white, the vast majority of them, and those are the youth industries. There is where young people work. They are not working really in the inner cities. Now, has any research been done to look at these market factors, where the jobs are for young people and where the development of youth jobs is?

I agree completely with the idea that it is a little impractical to put a 17-year-old into Bethlehem Steel as a steelworker, but there are mass industries that employ young people. But has the work been done to

correlate where those jobs are, where the increase of those jobs is, to the youth population, the minority youth population?

DR. SANTOS. Well, in our data, for example, we are getting some indications of that. Precisely, I think, as you say, that the suburb has the jobs.

Inner-city youth, as you say, might actually be going into the manufacturing sector, the textile industry, or he may actually be going into some of the jobs available in his neighborhood. For inner-city youths, working in these particular industries may be somewhat detrimental to their finishing school and also to their health because, as I say, they work longer hours.

The other item is the whole nature of the residential patterns. I started looking at 14- to 15-year-olds, which normally have been excluded from the labor force and for proper reasons—about 97 percent of these kinds are in junior high school. Yet, there is a high labor force participation rate among these 14- to 15-year-olds, particularly among white students. They are doing the babysitting jobs. Where you get the babysitting money is the suburbs because suburbs have the money to go to the movies or restaurants. Youth are also able to get some income mowing lawns. No one is paying, I don't think, in the inner-city barrio to have their lawns mowed. But yet they pay that in the suburbs.

I really cannot say what the impact of working at an early age is. But I would venture to say that at least that youth is getting some notion of the world of work, getting some income, some positive reward, as opposed to a child who is isolated from those avenues that doesn't have that opportunity. I think that has an impact.

CHAIRMAN FLEMMING. Dr. Sawhill.

DR. SAWHILL. I think that what Mr. Nunez described is absolutely true, although I want to say that, when you look at this study, they do show that even in suburban areas the differential between the unemployment rates of blacks who reside in suburban areas and whites is still very high. So, you know, that kind of gives one pause about thinking that overcoming that particular problem would do that much. Nevertheless, it is clearly a problem; it is clearly true that the youth jobs are in the service sector, and particularly in retailing, as you mentioned.

There is also research that shows that one of the reasons why the black youth employment situation has deteriorated over time is because of changes in the industrial structure of the economy and a drying-up of what were traditionally blue-collar jobs and agricultural jobs for youth. And that there is sort of a smaller pool now of youth jobs, and the white youth are getting a larger proportion of that smaller pool, and the black youth are sort of being shunted out.

So I think you can tell that kind of story.

CHAIRMAN FLEMMING. Dr. Anderson.

DR. ANDERSON. In looking at labor market problems, I have found it useful, first of all, to disaggregate the data and, secondly, to look at all of the indices of labor market status.

Now, I don't doubt that the general thrust of your perception reflected in your statement is correct, but I think when you look at another statistic, the employment-population ratio, you might reach a somewhat different conclusion. The point is that I alluded earlier to the great increase in the number of young people who came into the labor market during the 1960s and continued for much of the 1970s. It should be a matter of interest that the vast majority of them did find jobs.

But if you look at employment, the employment, if I am not mistaken or if I have not misread this, the employment of young people has increased at the same time that they—

CHAIRMAN FLEMMING. Absolute numbers?

DR. ANDERSON. Yes. —that many of those jobs that were created in the cities—and by the way, I think what you have here is like a doughnut and a hole.

In Washington, D.C., you see all about you new construction. I wouldn't be surprised that if you looked at the District of Columbia, you would find that service employment in the city has increased over the last 10 years. Now, that means that there are more people employed in the service sector in the city at the same time that the minority-group unemployment rate for youth has risen.

The question then is, Who is getting the jobs? That is the real issue. And what are their characteristics in relation to the characteristics of the unemployed minorities who don't have the jobs? I completely agree with Dr. Sawhill that the suburbanization doesn't help you explain this disparity, because you see it out there too.

But employment has gone up; at the same time unemployment has increased, reflecting the fact that there are more young people looking for jobs, for a variety of reasons, and not finding them.

I would go back to the comment that I made earlier about the locational effect. It is true that perhaps there are relatively fewer youth jobs, if you can call them that, and of that number the white youth get a larger proportion than perhaps they got before. But I cannot help but wonder what the impact would be of improving the economic infrastructure of minority-group, inner-city communities.

When I think of my own experiences growing up, when I was in high school I had a job on the campus of the University of Pennsylvania. It was called Campus Pharmacy. I was a soda jerk. Now, the University of Pennsylvania sat at that time right in the middle of the West Philadelphia ghetto. Through urban renewal they have taken care of that over the last 20 years. So they have improved the conditions for the university. You don't see the ghetto anymore.

The point is that there was a job, and I want to make this point, that that drugstore is no longer in that community. And even before the drugstore went out of business—and it is now a parking lot—they closed down the soda fountain and substituted a Coca Cola machine.

You can take that little isolated example and multiply it over and over again. You will not find in many inner-city communities a drugstore within walking distance of where anyone lives, you see. You can't find a candy store. You can't find any small retail establishments.

Now, many people knock these "mom and pop" stores, and I have been rather critical myself in the past about them. But I think we have to see the link between minority economic development of these communities, and I don't just mean blacks, the Hispanics also. I spent a week last summer in California looking at community development corporations, an operation in Los Angeles, and I looked at one, the East Los Angeles Community Union, and they are doing a tremendous job—East Los Angeles is largely a Mexican American community—creating new businesses, bringing in new economic activities, and creating jobs. And 80 to 90 percent of the people who are employed in those jobs are people who live in the community.

So I think this is an important part of dealing with the job-creation issue that is all too often diminished in its significance. And we can't be talking about simply improved transportation to move people out to where the jobs are. What is wrong with bringing the jobs right there where the people live?

I believe that that is an area—I agree with Dr. Levitan that the ultimate responsibility for the social welfare rests with government, but in this country a private enterprise, free enterprise system, you will not have the government to do it. And I would ask my distinguished friend, What would you have the government to do, if you say that the government is the ultimate protector of the economic welfare? Do you want the government to create a million public service jobs? Do you want the government to employ them directly?

I don't believe that is the appropriate role of government. I think, to the extent that government has a role, and it does, the role of government is to create the kind of environment in which the resources and energy of the private sector can be maximized. That is the only way it is going to work in this country, unless we change the system, and let's be honest about that. Government does have a role, but the role of government is to create an environment where the energies of the private sector can be maximized, where the private sector can respond to these incentives and get the job done.

Let me say one final thing, that I am not pessimistic about the potential for this sort of private-public partnership, and I believe it ought to be a private-public partnership, because you can't leave it all to the private sector. You have to look over their shoulder.

To get at the nub of this problem—and let me give you one example of a program that we recently looked at called “Jobs for Delaware Graduates.” This is a cooperative public-private effort, started as a pilot project in the State of Delaware, in which a private nonprofit corporation chaired by the Governor of Delaware, predominantly consisting of the business community, joined hands with the school system to bring into the schools job counselors, not the traditional counselor who goes to graduate school and gets a degree in education and doesn’t know anything at all about the world of work, but people who come into the schools who have some private sector experience, who know what kids need, who know how to prepare them for interviews, who give them job-market-related information, and also go out and link together the jobs that are available with the young people who are going to graduate.

Now, one swallow doesn’t make the summer, but let me give you the statistics. Of the 675 high school graduates in the 8 schools in which this program was in operation, the last academic year, 85 percent of them had jobs within the first month of graduation this year. Last year, just one final comparison, last year, less than 40 percent of comparable youth had jobs. Now, there is one example of a public-private partnership that at least in that little example seems to be having an impact.

The other thing is that there is clear evidence that a number of minority kids in Wilmington, Delaware, were encouraged not to drop out of school because of the existence of that program.

CHAIRMAN FLEMMING. I heard about that. Has that been written up?

DR. ANDERSON. Yes.

CHAIRMAN FLEMMING. Where?

DR. ANDERSON. Well, it is written up by the organization called Jobs for Delaware Graduates. They have a brochure out on their experience.

CHAIRMAN FLEMMING. I definitely would like to get that.

DR. ANDERSON. I would be delighted, since the foundation provided major support for the first year, to send you information on it.

CHAIRMAN FLEMMING. I would appreciate that because it is just within the past couple of weeks that I heard about that, and I think that they definitely are headed in the right direction because it does provide, in effect, for a community action program, zeroing in on the specific situation within that particular community. And some of us have the feeling that we need more and more of that. So I am delighted you referred to that, and I hope we can get hold of that information.

We have been talking about government, a number of roles. There is pending on the Hill two major proposals in the employment area and the training area, aimed at youth, the youth employment problem. What is the reaction of the panel to those two proposals? I understand one of them may be voted on this week for the House, and they hope to get something out on the Senate side, and so on. Does that represent a hopeful thrust as far as

government is concerned? It is labeled "Youth Unemployment and Training."

DR. SAWHILL. I don't know the details of the differences between the bills at this point. But if we are talking about the sort of general proposals which were put forward by the administration, and as Dr. Berry had said, she was very much involved in that effort—

VICE CHAIRMAN BERRY. You may criticize them anyway.

DR. SAWHILL. Well, I really think that the effort which was made last year to come to grips with understanding the problem and thinking through, in a more thoughtful way than you usually find in the bureaucracy, the direction of some new solutions was handled very well, and that those proposals are sound. They put quite a heavy emphasis on compensatory education at the secondary level, and I think everybody here today has said that they feel that that is appropriate, and I certainly agree with that.

I think the major unanswered question there is the extent to which moving these monies into the schools is really going to change things. There has been an attempt, particularly on the part of the administration, to target that new compensatory education money on disadvantaged school districts. But whether or not they can come up with programs which will make a difference is still a question mark.

I think we have to go back to what Bernie has just been saying about the need for more cooperative efforts, including cooperative efforts between the schools and the private sector.

There is a sort of sociological aspect of this which I think is very important, and that is that earlier there was more of a community of interest around the youth population. Even minority youth tended to live in small communities where you went to a certain school and maybe you attended a certain church or a certain local community center, and the adults in the community knew who the youth were and could vouch for them. So that when a young person went to get their first job, there was someone to say, "I stand behind this young person."

I think that in our large central-city areas we sort of lost some of that, and employers simply aren't going to hire somebody who has no experience, who is young, and if they have any other mark against them, like coming from the wrong background or having the wrong skin color or what have you, they certainly aren't going to hire them, unless there is an adult there or an institution there that sort of stands behind that youth. If we could get our schools and our school counselors to understand that, and we could get the private sector to understand that, and get them to work together, I think that would make a big difference.

VICE CHAIRMAN BERRY. One of the options that was talked about focuses on the point that has been emphasized twice by Dr. Levitan, at

least twice, about quality of schooling, and whether putting more money in—you just pointed that out—would help.

There was some discussion, perhaps, of having alternative schools as competitors with the public school system, CBOs, community-based organizations, running schools. There have been some examples and are some around. If one thought that the problem was the people who were in the schools weren't doing the job, and if they were somehow threatened with the loss of their students because the government was paying to create alternative educational models, that this might help.

I think that there are still some vestiges of that idea in the legislation, or at least the last time I looked. But the vestiges are getting smaller and smaller and smaller. I mean, there is a certain political reality about the teachers' unions and other entities that do have something to say about what they regard as a threat to teachers.

The other point was that since there had been evidence that compensatory education seemed to work, or at least some beginning evidence that it worked, it was thought reasonable to put the money into it to see what the schools will do with it.

I suppose that unless one addresses the problem that Dr. Levitan talked about, the problem of the home, the family, motivation, and teacher motivation, too, and the partnership between the schools and the parents, that one has to worry about what will happen with the money that will go into the schools if the bill is finally passed.

But it seemed most people concluded that the public school system has somehow got to do the job. I mean, there really isn't any major alternative. Even if you talked about creating some alternative schools, how could you really take care of all the people who are involved? And as was pointed out earlier, nobody thought that this would be the whole answer, but most people concluded that it would be part of an answer.

Also, politically, don't you think—and this relates to not only the bill, but a point made earlier by Dr. Anderson—that there is increasing hostility in this political climate to funding more jobs programs? We talk about structural responses and creating more jobs, and worrying about that, as opposed to doing something else. I think 2 years ago it became very evident that the Congress was very reluctant to keep funding more and more public sector jobs and that one did have to focus on education and certain other factors.

Then to add to that, while I have the floor, I do much agree with your point, Dr. Anderson, about minority business enterprise. Just because we know, for example, that you want to get more black doctors because they will serve the black community, it is more likely that minority businesses will hire—one thinks, at least—minority youth because they are there in the community. So that that does seem to be a reasonable alternative.

But I just wonder if you think, and Dr. Levitan hasn't responded, that that new youth bill on the Hill will go a long way toward solving the kinds of problems that you were talking about?

DR. LEVITAN. Well, I fully agree with the point that Dr. Sawhill just suggested, that the linking of the school with the labor market is highly desirable, and we have not done that in the United States. We let the kid out of school and then leave the kid to fend for himself or herself in search of a job. There haven't been enough linkages.

What we have tried to do under YEDPA, the Youth Employment Demonstration Projects Act, is to establish some linkages.

To turn to the question raised by Dr. Berry: Do we have the proper institutional setup to use additional funds? The point is that if you give the school system another few hundred million dollars, the funds would not necessarily be going to the right places. Our demonstration is trying to target it into the areas which need it most.

The chances are, and this is history, that whenever the Federal Government distributes some dollars, every Member of Congress or every Senator wants to get a piece of the pie, rightly so; and therefore a good piece of the pie gets into Montgomery County or in Shaker Heights, or whatever your favorite suburb happens to be.

But at the same time, I would join Dr. Berry. I would also like to go in favor of motherhood and apple pie and of cooperation of the private sector with the government.

I think, obviously, whether the private sector creates four-fifths of the jobs or two-thirds—that is a question for statisticians to worry about—the private sector does create the majority of the jobs, and therefore cooperation is necessary.

But there again, you see, I would fully agree with Dr. Anderson, what he said before, that it is the role of the government to establish a climate, and when there is need to provide for the need.

But again, this project in Delaware—and Dr. Anderson, one advantage I keep on telling you that I have over you, I remember more years. In the last 18 years since we have had an active Federal manpower program and policy, every year there is a project which somebody touts as the greatest discovery—to be all but forgotten next year. The officials of private corporations have to run other businesses that are more important to them, and therefore we cannot depend upon the private sector to run projects. Of course, you have to cooperate with them.

We are not instituted that way. If you take Germany, for example, the majority of working-class families go from school straight into a job. The government doesn't provide the job, but the government is a party in the contract of putting that youngster into what they call dual education, where the kid continues for 8 hours a week to go to school, and the rest of the week that youngster is receiving training or is working. Well, they

have that system there, have had it since Bismarck and before, but we don't have those arrangements.

Unless you establish institutions, then you are going to have, again, an additional piece of legislation with marginal help, which reminds me to return, if I may, Mr. Chairman, to what Dr. Santos said before.

Now, Dr. Santos, you and I really agree. We have no problem. We don't agree on some of the details.

I would think, since you compared blacks with Hispanics, you would expect to have higher unemployment among the latter, since blacks have lived in the United States for a number of generations, and 9 out of 10 Hispanics come from households where English was not spoken; one-fourth of them are foreign born. But Hispanic families, as you well know, have a much more stable family situation, and to that I ascribe, that may have a lot to do with the fact of simplicity—that is not the only reason, obviously—but I think it is a major reason that Hispanic youth unemployment is lower than that of blacks.

I would suggest to you to consider possibly it has to do with the family and whether two parents are better than one or one better than two. I have enough difficulty with my economics; I certainly would not go into sociology. But what I said was not whether two are better than one or one is better than two; what I think is a fact is that a black family headed by a female has one-half the income of a black family with two parents. I would suspect that having double the income has something to do with making out better in school or making out better in the labor market. Whether one parent is better than two, I will leave to the social workers and the sociologists. And believe me, I am not in favor of females in the United States getting 59 percent of what males get, but this is a fact of life. And to that extent, Dr. Santos, I think we both agree that it is a question of income, and not a question of one parent is better than two, although I would not subscribe, if you will for the time being let me be skeptical about it, until you give me better evidence.

VICE CHAIRMAN BERRY. Does anybody on the panel know whether youth who are unemployed are more likely to be unemployed when they become adults or not? In other words, is there a persistence if you are an unemployed youth? You someday become an adult, unless someone shoots you or you die or something, I assume. Are they more likely to be unemployed or continue to be unemployed or not? My impression would be so, but I don't know.

DR. SAWHILL. The best research on that subject has been done by the National Bureau of Economic Research, and that shows that, once you control for personal factors that tend to stay with people for life and thus would cause a certain amount of persistence of unemployment, there isn't any causal relationship between being unemployed when you are young and being unemployed later on. There is some relationship between being

out of work generally when you are young and your later wages, and that is simply because adult wages do depend upon the accumulation of experience in the labor force.

VICE CHAIRMAN BERRY. Also, does anyone know whether vocational education has any positive effect on this problem or is a factor? I understand that there is discrimination in vocational education.

DR. SAWHILL. It works for women and not for men. And the reason it works for women is because they are so heavily trapped into clerical occupations which are very easy to train for in a vocational education class. Otherwise, it looks to me like it has no impact whatsoever.

VICE CHAIRMAN BERRY. For minority youth?

DR. SAWHILL. For male youth in general, minority or white.

DR. ANDERSON. There is very little evidence that vocational education does very much about—and I completely agree with Dr. Sawhill, based on what is there. A good study of that, it seems to me, is the report of the Carnegie Commission. It was chaired by Clark Kerr. They came out with a report, not just the final report, but the study itself, which was conducted by Margaret Gordon Berkeley, which is a good assessment of this question of vocational education.

Let me come back, though, and add one point to what Dr. Levitan just said, because here again I think there is some value in disaggregating the data. If you look at Hispanics as a whole, the categories of disadvantage that you summarize would be correct. If, however, you disaggregate Hispanics, and I think there is a great value in doing that, there is no monolithic Hispanic community in this country. You have Cubans, Mexican Americans, Puerto Ricans, persons from Central and South America, and so forth. And the Puerto Rican statistics show that their degree of disadvantage is worse than that in the labor market, at least for Puerto Rican youth, of blacks. So if you look at the individual groups, you get a somewhat different view of the relative—now, they are all in a pretty sad state of affairs, but the point is that the degrees are different from what is clearly evident if you look at Hispanics as a whole.

And I think that that is one perception of this issue that we need to emphasize more. We need to look at these groups with respect to the location, where they are located, the special problems of special groups; and I am not sure that the vortex of issues which most affect the labor market experiences of Chicanos in the Southwest would cut the same way with Chicanos and Puerto Ricans and others in Chicago, or versus New York, and so forth. So a locational analysis of this could be very valuable.

Let me, finally, say a word about the bill. I think that the direction of the legislation is correct, to the extent that it is aimed at establishing more linkages between the schools and focusing on the development of competencies and so forth. I quite agree with Dr. Levitan that I can't be very optimistic about this minimal amount of money having any significant

effect upon what happens in the schools. I think, quite frankly, that most of it is likely to simply bail out many public school systems that are in dire financial straits.

But there is another part of this which I think could possibly be very beneficial.

We are seeing in many of our major cities increasing public dissatisfaction with the schools, and the public is increasingly turning away from support of public education. One of the reasons for that, among other reasons, is the perception, rather widespread perception, that the schools really don't do anything that is valuable; or at least they do it in such an inefficient way, in such a limited way, that it doesn't justify the large expenditures for public education.

So what you find in many communities, certainly in the Northeast, is that the parochial schools in the inner city are taking on more and more of the elementary school students. It is interesting that 40 percent of the parochial school students in the inner city of Philadelphia are black students, who are not Catholic; and in many communities where the elementary schools are not being utilized a great deal, the parochial schools are overutilized.

Now, what makes the difference? The difference is that those parents, many of whom have a limited education themselves, recognize the quality of the job that is done in those parochial schools, and they are willing to send their kids to those schools. And I think it is a tribute to the archdiocese that it is willing to keep those schools open despite the fact that most of the original population which justifies the school is no longer in the community.

I think that to the extent that this legislation can develop a process of improving the schools, to the degree that that is done, and certainly calling public attention to the greater role of the schools in preparing young people for the world of work, perhaps there will be greater support for the public schools. And I don't doubt that this is very important, because if we go down this route to so-called vouchers and that sort of thing, it will mean the destruction of the public school system; and the public school system is absolutely critical for the integration and economic advancement of minority people in this country. Without the public schools, we will be in infinitely greater difficulty than we are at the present time.

VICE CHAIRMAN BERRY. You just said something that I find curiously inconsistent. On the one hand, I was listening to you go along talking about what a great job people thought the parochial schools were doing, and 40 percent were in the schools in Philadelphia, the example you cited; and I thought you were going to conclude by saying that what we needed to do for the education of minority youth who don't have skills is to have more and more schools like that and have the students go to those schools. But

then you ended and switched gears by saying, "Well, no, what we need to do—"

DR. ANDERSON. No, because I don't think that is a viable option. I don't think, given the opposition to public support for the parochial schools, I don't think that is a politically acceptable option. We have gone down that road before. The Supreme Court has rejected it. Maybe that would be a good thing, but I don't think it is possible for it to happen.

So then I come to my second-best solution. Let's find a way to get the schools to do better what we all know they should be doing, and I see this bill perhaps as one important first step along the road toward doing that.

I think also, if I am not mistaken, that part of the bill requires the establishment of advisory committees, and I guess that they will include parents and other people from the community. Maybe this will be a device through which the quality of what happens there can be monitored, and pressure can be brought to bear on the schools to improve more rapidly and in a broader way than would otherwise be possible. And I know that many superintendents are not very happy with that part of it, because they think there is too much external intrusion into their affairs right now. But I think that is a very important part of it.

Social policy in this country—Sar Levitan is in much better position to say than I am—but my impression is that social policy sort of evolves gradually over time. The first minimum wage was 25 cents an hour. Now we are up to above \$3 an hour. Things start small, and they build up. I think that this bill can be the first step which, over time, can be expanded; it can be enriched; it can be made more effective.

But it is important to have public legislation that makes that link, and to my knowledge this is the first time that this link has been established, and it deserves careful attention and serious effort to implement it and make it—

VICE CHAIRMAN BERRY. Does it bother you that only 23 percent of the money in the bill is supposed to go to vocational education, since all three of you, I think, said that you thought vocational education didn't work?

DR. ANDERSON. That is right. I think even less should go to vocational education.

VICE CHAIRMAN BERRY. Less than 23?

DR. ANDERSON. Yes. Vocational education is a snare and a delusion. It doesn't do the job.

VICE CHAIRMAN BERRY. The VOCs will hate you.

DR. ANDERSON. Well, there are others who hate me, too, but you want to know the truth.

CHAIRMAN FLEMMING. Ms. Gleiter, do you have any questions?

MS. GLEITER. I have one question. You talked very enthusiastically about Jobs for Delaware Graduates. Do those jobs provide a ladder out of dead-end existence?

DR. ANDERSON. Yes, many of them do.

MS. GUTHER. I mean, that was the purpose as well as providing an immediate job when completing—

DR. ANDERSON. Well, let's be clear about the matter. The average person in this country who goes to work for the first time goes to work in a job where they will not be for the rest of their lives. Many young people need the experience of just getting a job.

Now, I don't mean to suggest that every one of the jobs into which these high school graduates have been placed would be what we would call good jobs with career ladders and so forth. Most of them are. I can give you an example, an entry-level job in a machine tool operation in a manufacturing plant in New Castle County, a job as a salesperson in J.C. Penney's store in a new shopping center, a job as a stock clerk in that same store, a job as a shoe salesperson in a local business establishment.

There is a wide range of occupations into which these young people have been placed, but there are some jobs that perhaps you and I would consider low-level, dead-end jobs. But the point is that there is a followup component to this program in which the students, after having been placed, will be contacted, 6 months, 1 year, after they have been placed and given additional assistance in either changing their jobs, if they are unhappy about where they are, or having their situation improve.

So I think overall that it is a rather hopeful experience. I don't say that this is the solution to the problem. I think it tells us some things that we need to know. It shows the way in one respect, but there are other things that will undoubtedly be needed. And even if this program was replicated across the country as a whole, I don't think that this alone would be the solution to the youth unemployment problem.

CHAIRMAN FLEMMING. Yes, Dr. Levitan.

DR. LEVITAN. I would like to emphasize one point that Dr. Anderson made, and very eloquently, and that is the importance of preserving our school system.

But one area, it seems to me, that the Civil Rights Commission can do something, in my point of view, very, very useful is the tendency to identify civil rights or equal opportunities with bilingual education. In some cases it goes to the extremes where kids are taught in Spanish and never learn English, and as one who has benefited by learning English, I would hope that the Civil Rights Commission could do something of exercising its influence against this system of breaking up the school system with bilingual education.

Another point in which the Civil Rights Commission, I think, might be helpful is to speak out on misleading statistics that compare blacks with whites, Hispanics, and so on. Responding to political pressure and to get the data for Hispanics, the government statistical agencies lump Puerto Ricans and Cubans, Mexican Americans, and South Americans together for statistical purposes. This is a case of mixing horses with oranges, not

even with apples, to get some statistics. The Civil Rights Commission might point out that monthly unemployment statistics, for example, cannot be obtained for small groups and lumping these groups together is not useful for policy purposes.

Also, the comparisons of blacks and whites, I think, lead to misleading, if not harmful, statistics. It may be a useful tool to point out the relative disadvantages of blacks. But I believe that it would be much more useful to make comparisons on cases on a class or income basis. We ought to compare not blacks with whites, but blacks and whites in the lower level of income, or whatever other variable you take.

Since blacks and also Hispanics are concentrated in the lowest level in most socioeconomic indices, what happens is that statistics take out most of the poor and most of the disadvantaged from the total population and compare the rest of the population with the lower strata. That has racial overtones suggesting that blacks perform so poorly in school and so on.

DR. SAWHILL. With all due respect, sir, that really doesn't change the figures much at all. Within the same income classes, you find the same disparities.

CHAIRMAN FLEMMING. Thank you very, very much, Dr. Anderson. We appreciate it.

DR. ANDERSON. I am sorry I have to go.

CHAIRMAN FLEMMING. Dr. Santos, I imagine you want to comment on the bilingual issue.

DR. SANTOS. Dr. Levitan, we both may have the same message, but on the details, I think, we would strongly disagree.

Both of us are concerned about the high pregnancy rate of teenagers among blacks. However, the root of the problem is not that black youth are more sexually active than white kids. I don't think that is necessarily the case. I think white kids have more access to contraceptives.

On the issue of bilingualism, a very controversial issue, I don't think there is data to support one particular viewpoint. It is like in the minimum wage bill. It is what you really believe in your heart in the final analysis that counts.

I strongly believe that in a pluralistic society the preservation of two languages or even three languages is not unobtainable, and I don't necessarily feel that that has been a hindrance, the fact that 9 out of every 10 youth reside in a household where Spanish was spoken.

In fact, what I would do is take that opportunity and turn it around. In the Southwest, you cannot get a job unless you speak two languages. It is quite clear to me that you would be doing a disadvantage. On the other hand, I think there would be an emphasis on English just as well. But I don't think it should be to change the whole structure where you only have one language. It is certainly not going to solve the employment

problems of youth. Many of these jobs, as I say, Spanish is an essential requirement.

CHAIRMAN FLEMING. The discussion at the present time, the proposed regulations in this area, by the Secretary of Education, we are developing our position on it. Of course, we have been into this issue a number of times in the past.

I would like to make sure that your reaction to comparison by income level is in the record. I am not sure you had a chance to complete your statement on that, Dr. Sawhill.

DR. SAWHILL. Well, I interjected it as a very short footnote. I just didn't want us to leave the impression that, once you disaggregated by income level, there wouldn't still be the enormous disparities by race, because I have done that, and other people have done that; and after controlling for family income and everything else, there are still these disparities, and they are almost as large after you do that kind of disaggregation as they were before you did it. That always surprises me, frankly, but I think the numbers must be telling us something.

CHAIRMAN FLEMING. Almost as large, for example, middle income, upper income, as low income?

DR. LEVITAN. I am sure that it is almost as large. Obviously, there remains the differential, but I think it is much smaller.

DR. SAWHILL. Well, on unemployment rates.

DR. LEVITAN. It is much smaller, I thought, but I will defer to you, and the Commission will have to check.

CHAIRMAN FLEMING. You are using the unemployment rate as the indicator, and of course, as you know, in our social indicators of equality we use the unemployment rate between minorities and women and white males and are very much interested.

DR. SAWHILL. Well, one other point I would make is that it may not always be a good thing to focus so much on the unemployment rate. I would urge you to focus more on earnings and on what happens over time. I mean, I am not convinced it is, in and of itself, significant that someone is unemployed when they are a teenager or when they first get out of school. I think what is significant is if they don't get into a job and then show some earnings growth over time. If you compare women and minorities and white males on that dimension, you know, there are the dramatic differences; and there family background does make a difference, by the way, family income.

VICE CHAIRMAN BERRY. I wanted to ask you about that. You said earlier that most teenagers who were looking for employment did not report that they actually needed the money to support themselves, although they needed money, if I understood you correctly.

DR. SAWHILL. Yes.

VICE CHAIRMAN BERRY. And now you say that you would not be as concerned about the fact that they were out of work. Has anyone analyzed or disaggregated, whatever the economic term is, the data to see whether black youth who were unemployed by and large reported the same thing about why they want money—"I don't really need it because we already have enough money at home," or "I don't need it to buy food," or "I don't need it for myself"? Because just on the face of it, without looking at the data, if Dr. Levitan is right and more minority households are female headed, and if you are all right when you say the income is less in female-headed households, then it would seem that those who came from those households would have more need of the money than not. But I don't know the answer to that, and if they do need it, then I would feel differently about it than I would if they didn't need it.

DR. SAWHILL. Dr. Santos, I got these data from your NLS report. I don't know if you heard me cite them, because I cited them at the beginning of my statement, that over 50 percent say that they are looking for a job because they need money, but less than 10 percent say that they need it either for self-support or to contribute to family expenses. Do you know how that breaks out by race?

DR. SANTOS. According to the National Longitudinal Survey data, youth strongly indicated that need for money—now, that is a very ambiguous statement, need for money—white kids, black kids, Hispanic kids all say that that is the reason they are working, they needed money, economic reasons.

One of the responses said, "to help support the family." I think it was slightly stronger among Hispanic kids and was obviously higher among minority youth. But it was still a low proportion.

So economic reasons seem to be the predominant reasons to want a job, but it is hard to interpret.

Another point that I think should be brought out is that there are just as many employed kids looking for other work as there are unemployed kids. We estimated in the National Longitudinal Survey that there were 3.1 million kids who were unemployed, but also an additional 3.2 million kids who already had jobs but were looking for other work. So there seems to be an intensive job search activity going in the youth labor market.

VICE CHAIRMAN BERRY. I would think that that question, though, about which we don't have complete data, whether more Hispanic or black youth or whatever say that they need the money to help their families, related to the other point that most of the families, as you say, black families are female headed and they don't have much money, that would be an important question to ask.

DR. SANTOS. Yes. The thing that struck me about those kids looking for other work was that among blacks, there were a higher proportion who

stated they were looking for the work because of the low pay; they could not make ends meet.

I would also suggest that you look at the employment-population ratios over time. Even though there has been an increase in jobs overall in the economy, the employment-population ratio—that is to say, the proportion of youth who have jobs given the population size—for black youth has actually declined over time.

So, in a sense, these jobs have not gone to black youth. In fact, that is one of our concerns. The employment-population ratios have declined.

DR. SAWHILL. I just found the data, if you are interested. This is the proportion who said that they were looking for work because they needed money: 53 percent for black, 51 percent for Hispanic, 55 percent for white; the proportion who said they were looking for work to support themselves: 8 percent for black, 2.3 percent for Hispanic, 3.3 percent for white; to help with family expenses: 4.8 percent for black, 8.3 percent for Hispanic, 2.3 percent for white.

VICI CHAIRMAN BERRY. That is very interesting because something else has to be going on if what you say about the income of the family—when I say you, I mean about the income of the family when the family is female headed, and the larger percentage and all of that—is true, given what things cost, unless they are getting money from somewhere else that I don't know about—

DR. SAWHILL. I would make a strong distinction between youth who already have family responsibilities and those who don't. And I think if you talk about targeting, as Dr. Anderson did so much, I would target heavily on youth who already have family responsibilities, especially the young unwed mothers who just have so much to cope with and so few resources to do the coping. There are some excellent programs around that are helping them now, but they are very small scale and spotty still.

I don't know if you are familiar with the Harbor Learning Center in Baltimore, but I think that is the kind of approach that needs to be taken for this group, where you get training not only for the mothers themselves, combined with education and work, but also for their young children who are getting an enriched day care experience at the same time that the young mothers are completing their education and getting some work experience and some income and some parent effectiveness training. I went and visited that program, and one of the things that impressed me so much is that they take these teenage mothers into the classroom with their own and watch their own children being cared for by a professional day care worker so that they learn something about how to educate their own children.

CHAIRMAN FLEMMING. Is there a comparable program in New York City, comparable to that Harbor program?

DR. SAWHILL. I don't know. I suspect there probably is, since New York is such a big place.

CHAIRMAN FLEMMING. I think there is.

DR. SAWHILL. But I am not familiar with it.

CHAIRMAN FLEMMING. I think the Ford Foundation has supported one up there.

DR. LEVITAN. Mr. Chairman, may I add just one point, or rather second Dr. Sawhill's point about looking at income rather than unemployment and particularly the youth unemployment.

The whole concept of unemployment has changed so radically in the last 30 or 40 years since the Bureau of Labor Statistics or the Bureau of the Census started to collect the data. Once upon a time, unemployment was equated with deprivation. But in the welfare state that is no longer the case. And also with more than half of the families having more than two earners, unemployment is not as good a measurement as earnings. I think I urge the Civil Rights Commission to stress income or earnings indices, rather than unemployment.

MR. NUNEZ. Let me just follow up on that point. Would you say that if we did go in that direction, it would change the picture for minority youth unemployment? Suppose we just focus on income?

DR. LEVITAN. I am glad you asked that because I would like to give a commercial for a commission with which I was recently associated on employment and unemployment statistics. One of the, to my mind, most important recommendations of that commission was to try to look at linking employment with earnings. And the answer to your question is definitely, Mr. Nunez, that if you link employment with earnings, you find that Hispanics and blacks are much more disadvantaged than the unemployment figures alone would show.

MR. NUNEZ. So they would be worse.

DR. LEVITAN. And to that extent, again, for the purpose of the Civil Rights Commission, it would be the most proper thing to look at the techniques which possibly the Bureau of Labor Statistics may be developing now, since the Secretary of Labor accepted the commission's recommendations. This is a plea for the Civil Rights Commission to get BLS to publish these data, which it has not done yet, and I don't know what takes them so long, because they have the data. And I am sure that a letter from the Civil Rights Commission would be very, very helpful.

CHAIRMAN FLEMMING. We appreciate that suggestion, and it would be good to follow up on that. Of course, my reaction is that the present state of thinking and so on in this country, I would approach as both, not either/or.

DR. LEVITAN. Well, Mr. Chairman, we are not talking about tomorrow. But 2 years from now you are going to have excellent data from the census, which is going to have employment and unemployment data,

income, and also it is a variable that your staff may want to consider. And at that time you can establish the base. But unless somebody pushes my friends in BLS to do something about it, it will never be done. And that is why I hope that the Civil Rights Commission would be an excellent place to lobby for it.

MR. NUNEZ. They are hard to push.

CHAIRMAN FLEMMING. Dr. Sawhill.

DR. SAWHILL. I think that it is important to remember that if you look at unemployment rates, they just fall very, very sharply with age for all groups, although the racial differential does not disappear. But what we know is that most people make an attachment to the labor force by the time, say, they are 25 years old. It may not be a good attachment, and I think that is what we should be most concerned about, because if it isn't, that stays with them for a lifetime; and that perpetuates the kind of poverty and family problems that Dr. Levitan earlier alluded to.

I think that the data that we put together earlier, which I presented to the Joint Economic Committee, are instructive here. They take the average hourly earnings of each group at the ages of 16 and 17, and then look at where they are when they are 25 and 26.

For white males who start out as teenagers earning on the average \$3.00 an hour, by the time they are 25 or 26 they are earning \$7.00 an hour. For black males, it goes from about \$2.60 to about \$4.80. I don't have it for Hispanics. For white women, it goes from \$2.00 to \$4.00. And for black women, it goes from about \$2.00 to about \$3.50.

That is what I think one has to be worried about, particularly when you realize that there are as many young black women in this particular age group that I just cited you the figures on who have family responsibilities as there are young black men, just as many.

MR. NUNEZ. One question, Dr. Santos. When we talk about the Hispanic data, we do end up paying a premium for the coalition building, and it might be useful—well, as a factual matter, does your National Longitudinal Survey disaggregate the data for Hispanics and break it out for Puerto Ricans and Mexican Americans, and how does that compare?

DR. SANTOS. Well, we did break it out. We haven't presented it yet in a public report, but I am working on it.

We have 2,000 Hispanic youth. When you start cutting it down into Mexican Americans, Puerto Ricans, Cubans, by male, female, your sample size starts getting smaller and smaller. So that obviously presents some problems.

I would like to see the data base expanded, to put in another commercial, increase the number of Hispanic youth. I would like to see the CPS also expand the Hispanic household data sample.

But I think it supports the general findings; Puerto Rican, Mexican American youth, in some sort of economic status indicator, are much,

much worse off as compared to the Cubans and the other Hispanic-origin groups. They reflect more the white background than they do the black experience in youth employment.

MR. NUNEZ. We would be interested in getting that. You are doing a special report on this?

DR. SANTOS. Well, now that you mention it, there is a report out now, a profile of Hispanic youth, that was done by the Office of Youth Programs; that is available for dissemination, and you can get a copy of that. It is very preliminary, but it does indicate the differences by ethnicity.

MR. NUNEZ. Fine.

CHAIRMAN FLEMING. Well, I can't begin to tell you how stimulating an experience this has been for me, and how much we appreciate your being with us. Before we break up, I know a good deal of staff work has gone into this in arranging it, preparing the background material and so on. Ms. Gleiter, would you identify where all this work has come from?

MS. GLEITER. I would just like to express strong words of thanks to Dr. Lukaczer, who was the coordinator of this work and did so much for us in making it a success today.

CHAIRMAN FLEMING. I thank the three of you, again, for your willingness to come here and share with us in this matter. I think it is going to prove to be very helpful to us as we continue to grapple with these issues. We appreciate your leadership.