



# Opportunity Youth in Texas

## Identifying and Reengaging the State's Disconnected Young People

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### Introduction

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Opportunity (or “disconnected”) youth are defined as young people age 16–24 who are neither in school nor working.[1] A staggering 4.5 million young people fall into that category in the U.S., according to 2017 data, the most recent available. That’s 11.5 percent of all people in this age group. This is down from a recent peak of 14.7 percent in 2010 after the Great Recession.[2] While many adverse situations contribute to a young adult becoming disconnected from school and the workforce, researchers coined the phrase “opportunity youth” to emphasize their potential economic and social contributions. As such, much of the ongoing research focuses on how employers and schools can help reengage opportunity youth so they can fulfill that potential.[3]

Without these interventions, the cost of opportunity youth often falls on the public in the form of governmental assistance programs and incarceration expenditures. Compared with their peers, opportunity youth are more likely to be incarcerated, have a disability and/or live in poverty, and they are less likely to be in good health.[4] This disengagement, therefore, has real consequences—not just for the individuals themselves, but also for their families, their neighborhoods and their communities.

The effects of reengagement are similarly widespread. When opportunity youth go back to school or get a job, they increase their lifetime earnings and can help break the cycle of intergenerational poverty for their descendants. There are also potential fiscal benefits for government—and for taxpayers.[5] Because they see potential in these opportunity youth—both economic and otherwise—many researchers and practitioners are working hard to reengage them.

## Texas Picture

Texas is home to half a million opportunity youth. In 2017, its disconnection rate was higher than the national average, with 13.8 percent of the state's 16–24-year-olds out of school and not working compared with the national share of 11.5 percent. This translates to 487,471 opportunity youth in Texas.

If Texas could lower its share of opportunity youth to the national average, thousands more young people could improve their economic outlook by furthering their education or contributing to the state's economy by working. Such a reduction in the number of opportunity youth would save local, state and federal governments hundreds of millions of dollars over the lifetimes of these individuals.

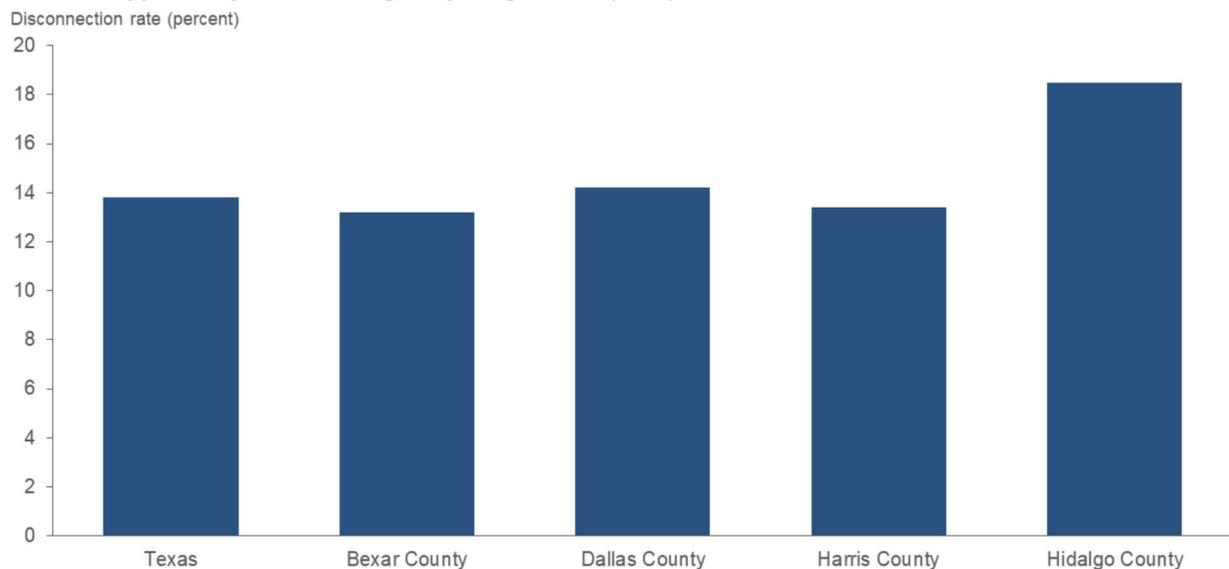
Texas' opportunity youth are diverse in terms of geography, race/ethnicity and gender. When considering how to best reengage opportunity youth throughout the state, these differences must be taken into account.

## Geography

While several citywide, countywide and regional reconnection efforts are active throughout Texas, there does not appear to be a statewide initiative to address the issue of opportunity youth. This report focuses mostly on large urban areas that are working to reconnect these young people to school and work.

Three of the four counties profiled in this report—Bexar, Dallas and Harris—do not vary dramatically from the statewide disconnection rate of 13.8 percent (*Chart 1*). Bexar and Harris counties have lower rates at 13.2 and 13.4 percent, respectively, and Dallas County has a slightly higher rate at 14.2 percent. However, in Hidalgo County in South Texas—home to the cities of Edinburg and McAllen—the concentration of opportunity youth is much larger. There, the disconnection rate is 18.5 percent, representing 22,601 youth (*see the "Data at a Glance" section of the report for fact sheets on opportunity youth in each of these counties*).

**Chart 1**  
**Share of Opportunity Youth Among People Age 16–24 (2017)**



SOURCE: Census Bureau.

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According to Measure of America, an initiative of the Social Science Research Council, young people in rural areas are more likely to be disconnected than their urban and suburban counterparts.[6] While this report does not fully explore opportunity youth in rural Texas, it is important to recognize that rural areas need services for disconnected youth as well (*see the sidebar "Opportunity Youth: It's Not Just an Urban Issue"*).

## Opportunity Youth: It's Not Just an Urban Issue

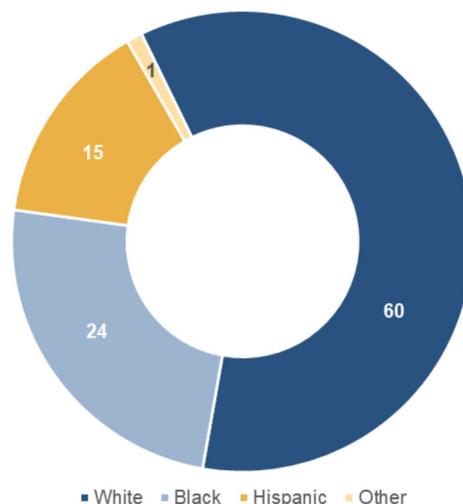
When asked about opportunity youth in rural areas, Wynn Rosser is quick to point out that their challenges—whether transportation, lack of health services or hunger—are no different than the challenges of urban opportunity youth. “It’s the way poverty expresses itself that’s different,” says Rosser, president and CEO of T.L.L. Temple Foundation in Lufkin, Texas.

Rosser—whose organization brings resources to rural communities in the areas of education, economic development and community revitalization—says rural “brain drain” has become a popular topic of conversation. However, what he sees is that most rural young people stay near home but many do not thrive, with some working more than one job and still unable to make ends meet. Deep East Texas, a region T.L.L. Temple serves, has a disconnection rate of 30 percent—more than twice the state average.[1] The main reason for disconnection, Rosser says, is that rural places have fewer economic opportunities.

One example Rosser points to is the job loss in rural areas due to automation, which he’s seen in East Texas lumber mills. These mills now hire fewer employees, and those who remain tend to the machinery that replaced them on the factory floor. To ensure that local youth build the skills they need to be employable, T.L.L. Temple is starting dual-enrollment high school programs in the region. Rosser says one factor contributing to the loss of local opportunity is that legacy employers in rural areas—those that previously hired the grandparents and parents of today’s youth—are no longer locally owned. As a result, a company’s mindset and investment shifts away from the community where its employees live. In the absence of such local investment, T.L.L. Temple is creating cross-sector partnerships among school districts, local government, nonprofits and philanthropy. He says that these partnerships break down silos and inspire creative solutions to local challenges, such as disconnected youth. This, Rosser says, helps make opportunity youth “everyone’s issue.”

From a statewide and nationwide perspective, it is difficult to reengage opportunity youth without first dispelling misconceptions about who they are. Some of these misconceptions, Rosser notes, are based on stereotypes labeling people in rural areas as “backward” and demographically homogenous. In fact, as the data from the Deep East Texas region show in Chart 2, over a third of the 16–24 population is young people of color. Rosser says that once people travel to his part of the state and peek through the “pine curtain,” they discover a bright, young population that is deserving of the opportunities afforded to many other young adults in Texas.

**Chart 2**  
**16–24-Year-Old Population by Race/Ethnicity in Deep East Texas (2017)**



NOTE: This report compares Hispanic, non-Hispanic white, non-Hispanic black and other non-Hispanic populations. “Other” is a broad category that includes Asians, Native Americans, Native Alaskans, Native Hawaiians and Pacific Islanders.  
SOURCE: Census Bureau.

Federal Reserve Bank of Dallas

1. Deep East Texas is defined as the following six counties: Jasper, Newton, Sabine, San Augustine, Shelby and Tyler.

## Race and Ethnicity

In the United States, Native American, black and Hispanic youth are somewhat more likely to be disconnected than white and Asian youth.[7] This holds true in Texas, where black and Hispanic youth are overrepresented among the state's opportunity youth but where 28 percent of disconnected youth are white (*Table 1*).

**Table 1: Texas Youth Age 16–24 by Race and Ethnicity (2017)**

	White	Black	Hispanic	Other
Total 16–24-year-old population in Texas (percent)	35	13	46	6
Opportunity youth population in Texas (percent)	28	16	52	4
Number of opportunity youth	137,954	77,508	252,510	19,499

SOURCE: Census Bureau.

In Hidalgo County, disconnection rates are high among people of color at 20 percent for Hispanic youth and 22 percent for black youth in the 16–24 age group. Hispanics make up 96 percent of all 16–24-year-olds in this county along the Mexican border. In Bexar County, home to San Antonio, Hispanic opportunity youth are overrepresented at 72 percent in a county where 64 percent of the 16–24 population is Hispanic.

Dallas and Harris counties have disproportionately high disconnection rates among black youth at 32 percent and 24 percent, respectively. In Dallas County, that means nearly 20 percent of black youth in that age range are out of school and not working, compared with 15 percent of Hispanic youth and 10 percent of white youth. The disparities in Harris County are slightly smaller, with 16 percent of black youth neither in school nor working, compared with 14 percent of Hispanic youth and 11 percent of white youth.

Throughout U.S. history, communities of color have faced barriers to education and employment that continue to have ramifications today. The effects are evident in lower average incomes and wealth accumulation.[8],[9] Underperforming public schools and the high cost of college may be obstacles to higher education in these communities. Racial discrimination in hiring and involvement in the criminal justice system may also be barriers to well-paying jobs for young people of color, particularly black men.[10] Each of these factors can lead to fewer opportunities in young adulthood and contribute to disconnection.

## Gender

In Texas, 52 percent of people who meet the standard definition of opportunity youth are female. This definition includes young adults who forgo school and paid work to be stay-at-home parents. As a result, a 16-year-old girl without children who is neither in school nor working and a 24-year-old woman who opts to be a stay-at-home mother would both be considered opportunity youth. The standard definition, therefore, is complex and warrants further discussion (*see the sidebar “Who Counts as Disconnected? A Look at Gender and Parenthood.”*)

When the statewide data are disaggregated by race *and* gender, it appears that both black men and women are overrepresented among opportunity youth. Hispanic women are overrepresented as well, but Hispanic men are slightly underrepresented (as are white men and women, and men and women of “other” races). While it is beyond the scope of this paper to further explore the differences exposed by race and gender, these are insights that community leaders may want to take note of.

## Who Counts as Disconnected? A Look at Gender and Parenthood

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Social customs in the United States have changed. Women have higher levels of educational attainment, not only from a historical perspective, but also when compared with men today.[1] Women graduate from both high school and college at higher rates.[2],[3]

Women's labor force participation grew significantly in the mid-20th century and was at 56.8 percent in 2016.[4] American women are also having children later in life.[5] From an anecdotal perspective, it is possible that previous cultural norms masked the disconnection rate of girls and young women in earlier generations. Because these norms have shifted, researchers frequently choose to label 16–24-year-old women who are neither in school nor working as opportunity youth, regardless of marital or parenthood status.

When these girls and women are disconnected, it may be more often due to a lack of opportunity when it comes to school or work. External factors in disconnection may include the availability of child care, the cost of child care (a statewide annual average of \$5,512 for one parent caring for one child), Texas' teen pregnancy rate (higher than the nation's average) and other barriers.[6],[7]

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1. "Women in the Labor Force: A Databook," *BLS Reports*, Bureau of Labor Statistics, November 2017, [www.bls.gov/opub/reports/womens-databook/2017/home.htm](http://www.bls.gov/opub/reports/womens-databook/2017/home.htm).
  2. Data are from the *Digest of Education Statistics*, National Center for Education Statistics (NCES), accessed Sept. 13, 2019, [https://nces.ed.gov/programs/digest/d18/tables/dt18\\_219.80.asp](https://nces.ed.gov/programs/digest/d18/tables/dt18_219.80.asp).
  3. Data are from *Digest of Education Statistics*, National Center for Education Statistics, accessed Sept. 13, 2019, [https://nces.ed.gov/programs/digest/d18/tables/dt18\\_326.10.asp](https://nces.ed.gov/programs/digest/d18/tables/dt18_326.10.asp).
  4. See note 1.
  5. For more information, see "They're Waiting Longer, but U.S. Women Today More Likely to Have Children than a Decade Ago," by Gretchen Livingston, Pew Research Center, Jan. 18, 2018, [www.pewsocialtrends.org/2018/01/18/theyre-waiting-longer-but-u-s-women-today-more-likely-to-have-children-than-a-decade-ago/](http://www.pewsocialtrends.org/2018/01/18/theyre-waiting-longer-but-u-s-women-today-more-likely-to-have-children-than-a-decade-ago/).
  6. Living Wage Calculation for Texas, Massachusetts Institute of Technology dataset, 2019, accessed July 25, 2019, <http://livingwage.mit.edu/states/48>.
  7. "Texas Adolescent Reproductive Health Facts," U.S. Department of Health and Human Services, 2016, accessed July 25, 2019, [www.hhs.gov/ash/oah/facts-and-stats/national-and-state-data-sheets/adolescent-reproductive-health/texas/index.html](http://www.hhs.gov/ash/oah/facts-and-stats/national-and-state-data-sheets/adolescent-reproductive-health/texas/index.html).

## Insights from Opportunity Youth Focus Groups

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In gathering qualitative data for this report, the Federal Reserve Bank of Dallas partnered with Educate Texas, an educational initiative of the Communities Foundation of Texas whose mission is to increase postsecondary readiness, access and success for all Texas students. Together, the partners conducted three focus groups with opportunity youth enrolled in a reengagement program.<sup>[11]</sup> Participants were asked about their goals and aspirations, how they got reconnected to work or school, and the particular challenges they faced in each of those settings. While the sample sizes are not large enough to draw statistical inferences, the anecdotal information from these respondents nevertheless opens a window into the lives of opportunity youth.

### Disconnection

Many focus group participants noted that disconnection from school and work was often the result of having to make a difficult choice. For example, one participant said that he temporarily dropped out of school because his mother had had a stroke and someone needed to stay home to take care of her. While the participant's father and siblings went to work and school, he assumed a caretaker role and, as a result, missed four months of school. Another student had plans to go to college but couldn't afford to both attend school and make payments on her car, which she needed to get to school. The most common adverse experience focus group participants identified was dropping out of high school. Other barriers to reengagement that participants listed include substance abuse and involvement in the criminal justice system.

### Getting Reconnected

Many participants were referred to their program by a family member, a friend, or an adult they trusted, such as a social worker or a librarian. In a few instances, the court system played a role in connecting the young person to the program they're in today. Some of these adults went a step further and helped participants to recognize the skills that they already had and to expose them to career possibilities they hadn't previously considered. In general, participants said that they would not be where they are today without the investment, financial or emotional, of an adult. Still, it is a challenge for these young people to stay connected, with many of them juggling school, work and family obligations at the same time. As is the case with many young people, self-doubt and frustration set in when they experience a setback. Fortunately, their programs are designed to assist with such challenges.

"A lot of us didn't grow up in a stable home. A lot of us didn't grow up having a good life, and some of us had struggles ... but this school really helped us a lot.... Every time you feel down, every time you feel like another door is going to close ... they just open another one."

—Focus group participant

### Program Successes

Programs appear to be most successful when they are flexible. For example, the Ballew Academy in Pharr, Texas, permits students to come to school on a flexible schedule, allowing them to work outside of the classroom. Ballew also has on-site child care for students who are parents.

In each of the focus groups, participants acknowledged how valuable it was to have their counselor or coach text them reminders about school or work obligations. Some program staff members would provide transportation for program participants when needed. The long-term continuation of services was also important to focus group participants. Many appreciated that their programs would continue to check in on them, even after they accomplished relatively short-term goals like earning their GED (high school equivalency diploma) or finding their first job.

"They remind us [about] updates every single day and [ask] like, 'How are you doing?' This and that. It's like, for me, they knew about my transportation problems—that I'll be on a bus for six hours a day. So they would understand if I couldn't make it on time."

—Focus group participant

Program enrollees were especially responsive to staff members who were former opportunity youth themselves and could easily relate to the participants. In general, participants who were happy with their program described it as being a fun environment where you wanted to actively participate. One enrollee went back to the program's office to do homework, even when it wasn't required.

When asked what could be improved in their programs, participants typically had one answer: more money, especially money for scholarships. Another recommendation was to be more inclusive in who programs serve, specifically the formerly incarcerated and those over 24 years old.

## Education

When it comes to high school, many participants were dissatisfied with the curriculum offered and the heavy emphasis on attending college right after high school. At more than one focus group, participants commented that high schools could do better at providing students with certain life skills such as financial management and understanding taxes. One participant noted that while he liked science and history, he didn't think learning these subjects would help students find a job. Another participant suggested that high schools could teach students entrepreneurial skills so they could find success in pursuing their passions, whatever they may be.

“I have to learn so much about taxes and banks and bills ... different, real-life stuff. The stuff that you really got to worry about is not what they [are] teaching you in school.”

—Focus group participant

For a few focus group participants, the lack of career choices in their programs and schools was frustrating. These students were more interested in fine arts than the STEM (science, technology, engineering and math) fields that they felt shepherded into by counselors. One participant related his feelings through a metaphor: Say your favorite fruit is grapes, but you get asked if your favorite fruit is apples or oranges. No matter your response, your options have already been decided for you, and neither is particularly appealing. These participants felt as if society did not value their talents and felt skeptical that college would lead them to where they hoped to be in the future.

Even for those who were excited to be attending college, barriers still arose. Many students, especially first-generation college students, needed guidance with filling out financial aid forms, enrolling in classes and identifying requirements they needed for their majors. Some participants said that the counseling they received at school was inadequate and that one-on-one counseling sessions with their program's staff were essential in overcoming these hurdles. For students at Ballew, dual enrollment was also helpful for students to establish a college-bound mindset and save on the cost of college tuition.

## Employment

When asked about the barriers to finding jobs that they liked, participants stressed the importance (and difficulty) of networking and knowing someone who could get them a foot in the door. Relatedly, multiple participants noted that applying for jobs in-person was critical since online application systems are omnipresent and, in their experience, hardly ever result in an interview or job offer. Other barriers include lack of transportation, not having a bank account (for direct deposit), criminal history and not having legal immigration status. For some participants, getting along with other people was a barrier to steady employment in and of itself, noting the negative experiences they have had in customer service roles.

Focus groups in both Houston and Pharr named low wages as a problem. One participant said it was hard to find the “sweet spot” between liking one's job and getting paid enough to get by. Another participant noted that the word “meaningful” has two definitions when it comes to jobs: Either a job fuels your passions, or it provides a stable income. Focus group participants seemed financially savvy, with one stating the exact amount of money needed to afford taking a full-time, unpaid internship. Participants in Hidalgo County commented that while their cost of living is low by statewide standards, the cost of housing and other goods is rising while wages remain stagnant.

## Aspirations and Lessons Learned

On the whole, focus group participants were ambitious and optimistic. Their goals ranged from getting an associate or bachelor's degree to owning their own business or simply being financially stable and independent. A common theme from each of the focus groups was that the participants who had reconnected wanted to pay it forward. They referenced a desire to use their future careers to help young people like themselves reconnect—by running a nonprofit, opening a community clinic or teaching barber classes, for example.

All focus groups were asked what advice they would give to their disconnected peers who may be looking to reconnect to work or school. Their responses are below.

**Speak your mind.**

**Don't let anything hold you back.**

**Learn from my mistakes.**

**Be heard and not listened to.**

**No more self-doubt.**

**Admit your mistakes.**

**You only live once; make good decisions.**

**Don't get greedy—stick it out [by completing high school rather than working].**

**Give it [the program] a chance, and be open-minded.**

**Don't give up.**

**Work hard.**

**Keep going.**

**Read a lot.**

**You can't control everything that happens to you, but you can control the amount of effort you put into things.**

**Don't leave a stone unturned.**

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## Reconnection Strategies

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This section highlights themes from interviews the Dallas Fed held with service providers around the state who work with opportunity youth. These are not necessarily recommendations; rather, they summarize common and often effective approaches to reengaging opportunity youth. Interviewees stressed the importance of tailoring any reconnection strategy to each locality and population rather than adopting a “one size fits all” approach. Many organizations serve opportunity youth across the state; this section presents insights from a select few.

### Location and Transportation

“We were intentional about our location to ... minimize the transportation [issue].... We literally mapped out where all of the bus stops were to make sure that ... if you want to come to us, there is a way to get to us.

—Rebecca Flores, education program administrator, city of San Antonio

In each of the three opportunity youth focus groups, participants listed transportation as one of the many barriers to reengagement. The creators of San Antonio's NXT Level Youth Opportunity Center intentionally located the center in a part of town where there was high unemployment and a large high school dropout rate. They also made sure that the center was accessible by the city's bus system, knowing that clients without personal vehicles would need to access the center as well. Other practitioners echoed the importance of bringing opportunities to communities rather than expecting clients to seek them out. Some staff members even give rides to program participants who would otherwise have to miss school or a program activity.

### Continuity of Services

Both interviewees and focus group participants noted the importance of the longevity of services. This means that the program continues to support the opportunity youth it serves long after they accomplish their first goal. In San Antonio, NXT Level staff continue to work with their clients throughout the reengagement process until their long-term goals are met, even helping them find higher-paying jobs once they're already employed. By doing so, program staff can help opportunity youth navigate setbacks and give them guidance on how to take the next step in their education or career until they feel self-reliant. The breadth of services is also important. Even as staff at Ballew Academy work with students through graduation and beyond, the local Pharr–San Juan–Alamo Independent School District (PSJA ISD) invests in students' parents. PSJA ISD offers adult education programs with subjects ranging from English as a second language to computer technology. The district sees this as a chance to transform whole families, not just a single generation.

### Mental Health Services

Most practitioners mentioned the role mental health plays in disconnection and the importance of treating these issues as part of the reengagement process. Clients at NXT Level Center are four times more likely to have three or more adverse childhood experiences (divorce, substance abuse, etc.) than the general population. According to Juliet Stipeche at the city of Houston, Hurricane Harvey exacerbated mental health issues among opportunity youth, and the effects of that trauma linger on. To address these issues, Ballew created three student groups that receive specially designed counseling services based on the following issues: post-traumatic stress disorder (PTSD), drugs and alcohol, and anxiety and depression.

### Cultural Competency

“There is an investment [in opportunity youth], but it's already prescribed when it hits the ground. There's not a lot of contact with opportunity youth in Dallas to figure out what they really want and what they would benefit from.”

—Laurie Bouillion Larrea, president, Workforce Solutions Greater Dallas

Cultural competency comes down to how program staff interact with clients. Rebecca Flores at the city of San Antonio notes that while it takes time to find employees who can successfully integrate into this culture, it's well worth the effort in the long run. Some NXT Level staff are even former opportunity youth themselves and can serve as both life coaches and role models for their clients. Another aspect of cultural competency is the method of communication between staff and client. Many programs mentioned that their staff text clients often, if not every day, just to check in. Some staff even use Instagram if the client prefers it.

Broadly, practitioners noted the importance of seeking input from opportunity youth to identify preferred communication methods and needed services. This can help to build trust and lead to a more tailored, and therefore more effective, plan for the client.

## Cross-Sector Collaboration

Many practitioners stressed the importance of cross-sector partnerships, noting that when organizations operate in silos, program participants are ultimately the ones who suffer. Cross-sector partnerships can include local government, nonprofits, school districts, institutions of higher education, philanthropic organizations and private companies (see the sidebar “Hiring Opportunity Youth: Perspectives from Employers” to learn more about private companies’ involvement).

An example of a positive outcome from a cross-sector partnership comes from Travis County, where the Austin Opportunity Youth Collaborative has been working to reconnect youth for years. In this example, Austin Community College and nonprofits working with opportunity youth have a data-sharing agreement that alerts partners when a student has issues at school, such as attendance. The service provider can then contact the student to pinpoint what is wrong and find a solution before the problem grows larger.

Another example of a cross-sector partnership is Educate Texas’ Bridge to College and Career Success (BCCS) initiative in the Gulf Coast region. This initiative, funded by JPMorgan Chase & Co. and the Trellis Foundation, facilitates partnerships and the programs that are born as a result. These programs support opportunity youth as they undergo job training or navigate the world of higher education. Many practitioners and focus group participants featured in this report are part of the BCCS initiative.

## Elimination of Small-Dollar Barriers

“Just being able to write a \$200 or \$500 check to them can make all the difference in the world.”

—Ann B. Stiles, president and CEO, Project GRAD

Both Austin Community College and Project GRAD, a Houston nonprofit, have helped students pay relatively small fines such as parking violations or library fees. If these fines are not paid right away, students often cannot enroll in classes and may ultimately drop out of school as a result. From the school’s point of view, these small fines and fees are standing in the way of future tuition payments to the school. For nonprofits like Project GRAD, the ability to transfer money to clients quickly and without much paperwork is a simple way to make a big impact. Project GRAD plans to expand its ability to make these quick payments in the future.

## Caring for the Most Vulnerable

“If you design systems in which the most vulnerable are able to access and have a reasonable amount of opportunity to become engaged, then you design a system that is going to be adequate for everyone.”

—Juliet Stipeche, director of education, city of Houston

Practitioners mentioned that in order to address the issue of opportunity youth fully, it is important to design their programs with the most vulnerable in mind. At the NXT Level Center, some clients are in their 20s and are reading at the fourth- or fifth-grade level. This has led the program to focus services on those with low literacy. In Hidalgo County, PSJA ISD opened Sonia M. Sotomayor Early College High School, a dual-enrollment school specifically for teenage mothers, a population that is particularly at risk of dropping out. Workforce Solutions Greater Dallas has partnered with ResCare Workforce Services, a service provider that focuses on engaging foster youth and LGBTQ (lesbian, gay, bisexual, transgender and queer) youth in workforce programs. Each of these practitioners emphasized that the issue of opportunity youth will persist until the most vulnerable populations are also reconnected.

## Hiring Opportunity Youth: Perspectives from Employers

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“The challenges that [opportunity youth] face are very real to every aspect of their life ... and I think it’s a beautiful thing when two organizations—a nonprofit and a for-profit—work together because at the end of the day, everybody wins ... you get a better-trained employee [and] you get someone whose life is way better than when they started.”

—Rudy Requeno, career development manager, MCA Communications

In 2015, Starbucks launched its hiring commitment to opportunity youth. As part of this mission, Starbucks was one of the founding companies of the 100,000 Opportunities Initiative. These companies have held seven resource fairs around the country with the purpose of preparing opportunity youth for the workplace—some were even hired on the spot. As of 2019, Starbucks has hired over 75,000 opportunity youth nationwide and expects to hire 100,000 by 2020.

MCA Communications is a commercial cabling company in Houston that has partnered with a local nonprofit, SERJobs, to hire opportunity youth in entry-level positions. SERJobs recruits and screens candidates and provides hired opportunity youth with weeklong job readiness training in which they learn basic professionalism. MCA interviews candidates jointly with SERJobs and provides opportunity youth with three-day technical training before their first day on the job.

Both Starbucks’ senior manager for global social impact, Kelly Sheppard, and MCA’s career development manager, Rudy Requeno, noted the importance of building the soft skills of opportunity youth. As with anyone starting their first job, Sheppard says, opportunity youth acquire interpersonal skills and learn about time management. Requeno emphasizes the importance and effectiveness of the weeklong job-readiness training, which allows opportunity youth to demonstrate their commitment to their new position and learn valuable skills before arriving at the workplace.

Once opportunity youth are hired, both MCA and Starbucks treat them equally as any other employee. However, both companies said that it is helpful to have someone at the company who is familiar with opportunity youth. At MCA, that person is Requeno. He meets with each new hire to help anticipate problems that may arise, such as transportation, and brainstorm solutions. His role, he says, is to be the broker between opportunity youth and their supervisors to make sure both parties are set up for success. At Starbucks, Sheppard says, store managers play that role, and they are better equipped for that task when they are educated about opportunity youth. While the life experiences of opportunity youth may differ from those of other employees, “we can prepare for differences,” she says.

Requeno and Sheppard tout the benefits of hiring opportunity youth. For them, it’s a win-win. “Sometimes an employer might not think it’s the best business decision,” says Requeno, “but I think with the right approach and the right model, it definitely can be.” Opportunity youth are an untapped resource that many employers are missing out on, Sheppard says. Not only does Starbucks benefit from the talent opportunity youth bring, but the employees gain confidence and the chance to explore new career paths. Both companies invest in their employees by offering them the chance for advancement—and, in Starbucks’ case, the option to have their undergraduate education paid for.

## Conclusion

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For each of the half a million opportunity youth in Texas, there is a young adult with untapped potential. While many local efforts are underway to identify opportunity youth in Texas and reconnect them to school and work, a number of national organizations are leading the way in both research and practice. These organizations include Measure of America, the Aspen Institute's Opportunity Youth Forum, Jobs for the Future, the National League of Cities, Year Up, 100,000 Opportunities, consulting firm FSG, Equal Measure, the International Youth Foundation and others. Following both local and national examples from this report, Texas has the chance to change the lives of its young people today and prevent more of them from becoming disconnected in the future.

As the research shows, opportunity youth live in all corners of the state and come from all backgrounds. With the right kind of support, these young people can become productive workers and role models for the next generation. This report provides stakeholders with statewide and regional data, insights from the opportunity youth themselves and strategies from existing service providers. Armed with this information, those in a position to make a difference can seek out the opportunity youth in their communities and work hand-in-hand with these young people to build a path toward a brighter future.

## Methodology

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- For purposes of this report, opportunity youth are 16–24-year-olds who are neither in school nor in working (both unemployed youth and those not in the labor force).
- We used Integrated Public Use Microdata Series (IPUMS) data from the 2017 5-year American Community Survey (ACS), conducted by the Census Bureau.
- While both the ACS and the Census Bureau's Current Population Survey (CPS) can be used to count opportunity youth, they count certain populations differently:[12]
  - The ACS defines students as those who have attended school or college in the past three months, while the CPS counts those who attended in the week prior to the survey.
  - The ACS includes youth living in “group quarters,” such as correctional facilities, college dorm rooms, residential health facilities, etc.; the CPS does not survey these individuals.
  - The ACS surveys those who are serving in the military and categorizes them as “connected” youth since they are seen as employed; the CPS does not survey military members.
  - The ACS surveys homeless youth, while the CPS does not; however, the numbers of homeless youth are likely to be undercounted given the difficulty in surveying these individuals.
- The CPS goes back further in time than the ACS; it is therefore helpful when looking at historical data.
- The ACS has a much larger sample size than the CPS and can disaggregate data down to the county level and smaller; it can also disaggregate by race, ethnicity and gender.
- Some organizations further narrow their definition of “opportunity youth.”
  - The Brookings Institution uses the same definition as the authors of this paper but counts only those living below 200 percent of the federal poverty line and those with less than an associate degree, resulting in a smaller count.
  - The Congressional Research Service uses the same definition as the authors of this paper but includes only those who have not worked within one year (rather than the past week) as unemployed and therefore disconnected.

This report compares Hispanic, non-Hispanic white, non-Hispanic black and other non-Hispanic populations. “Other” is a broad category that includes Asians, Native Americans, Native Alaskans, Native Hawaiians and Pacific Islanders.

## Acknowledgements

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The information and views expressed in this report are the authors' and do not necessarily reflect official positions of the Federal Reserve Bank of Dallas or Federal Reserve System; nor do they constitute an endorsement of any organization or program.

Full report is available online: <https://www.dallasfed.org/cd/pubs/19youth.aspx>.

## Data at a Glance

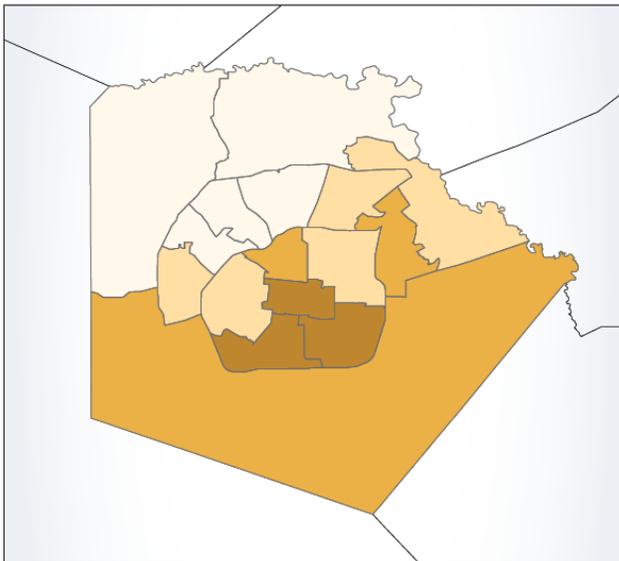
The following fact sheets provide basic information about opportunity youth in each of the counties of interest as of 2017. Data are from the Integrated Public Use Microdata Series (IPUMS) from the 2017 5-year American Community Survey (ACS), conducted by the Census Bureau. The information includes race and ethnicity, gender and location within the county. The fact sheets are meant to serve as an introduction for community leaders concerned about opportunity youth in their area.

### Bexar County

**Number of opportunity youth:** 33,613

**Disconnection rate:** 13.2%

**Chart 1A**  
Disconnection Rates in Bexar County



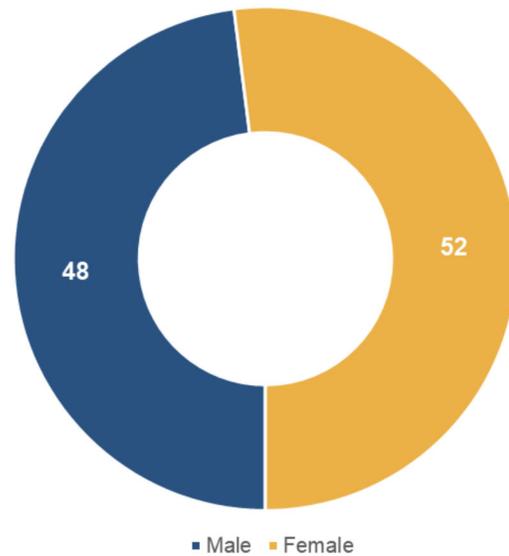
**Disconnection rate (percent)**

Under 10   10 to 14.99   15 to 19.99   20 and over

SOURCE: Census Bureau.

Federal Reserve Bank of Dallas

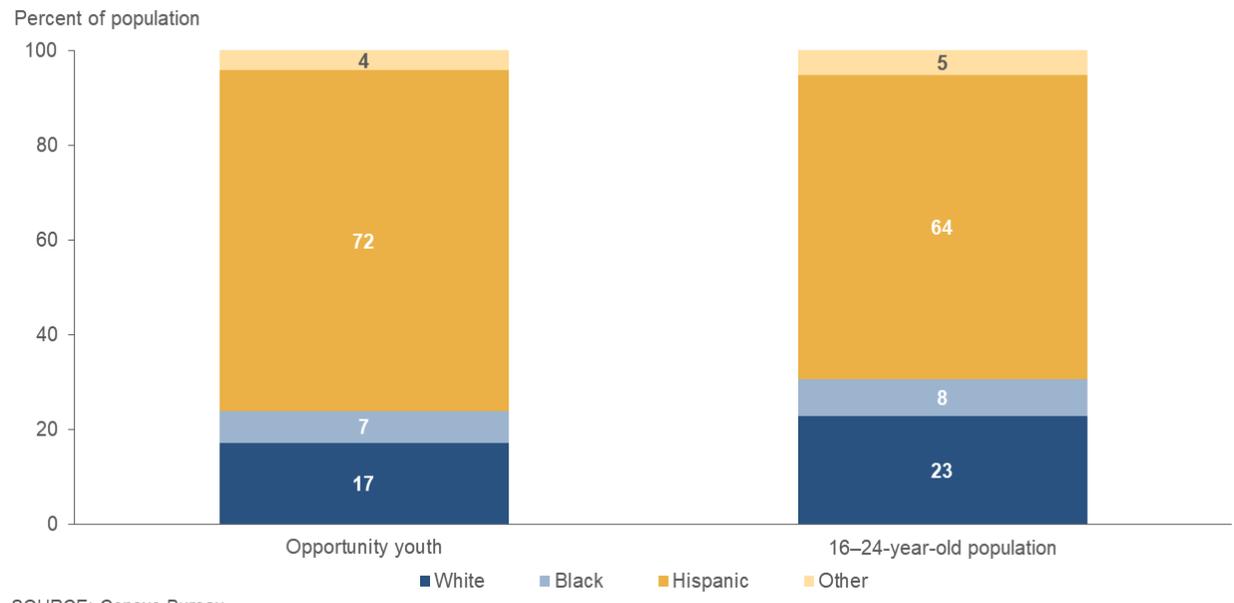
**Chart 2A**  
Opportunity Youth by Gender in Bexar County  
(percent)



SOURCE: Census Bureau.

Federal Reserve Bank of Dallas

**Chart 3A**  
**Opportunity Youth by Race/Ethnicity in Bexar County**



SOURCE: Census Bureau.

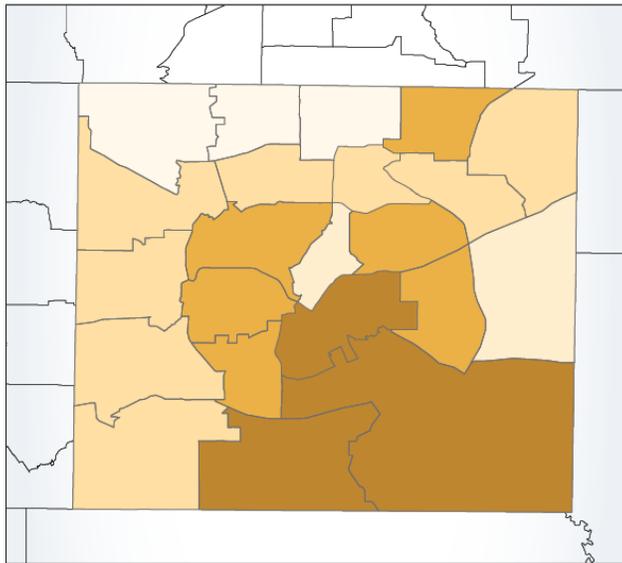
Federal Reserve Bank of Dallas

# Dallas County

Number of opportunity youth: 45,010

Disconnection rate: 14.2%

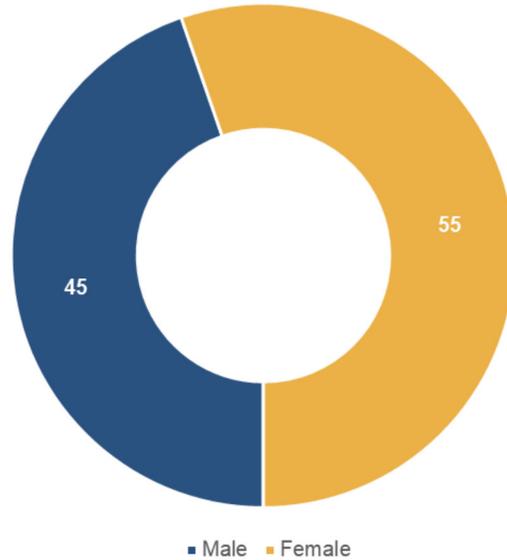
**Chart 4A**  
Disconnection Rates in Dallas County



**Disconnection rate (percent)**  
 Under 10    10 to 14.99    15 to 19.99    20 and over

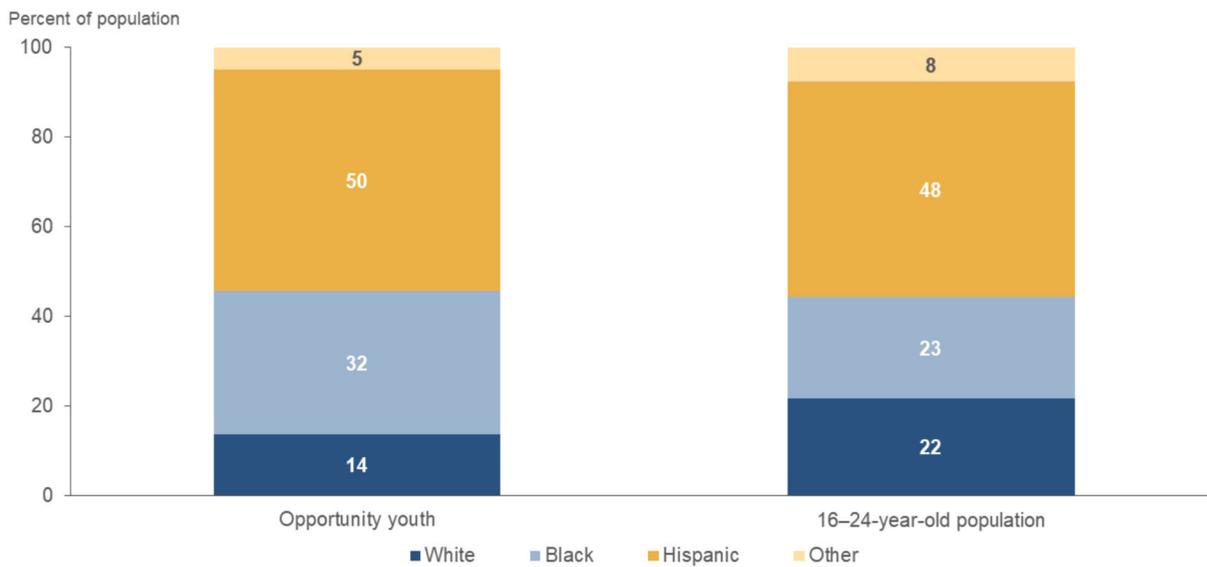
SOURCE: Census Bureau. Federal Reserve Bank of Dallas

**Chart 5A**  
Opportunity Youth by Gender in Dallas County (percent)



SOURCE: Census Bureau. Federal Reserve Bank of Dallas

**Chart 6A**  
Opportunity Youth by Race/Ethnicity in Dallas County



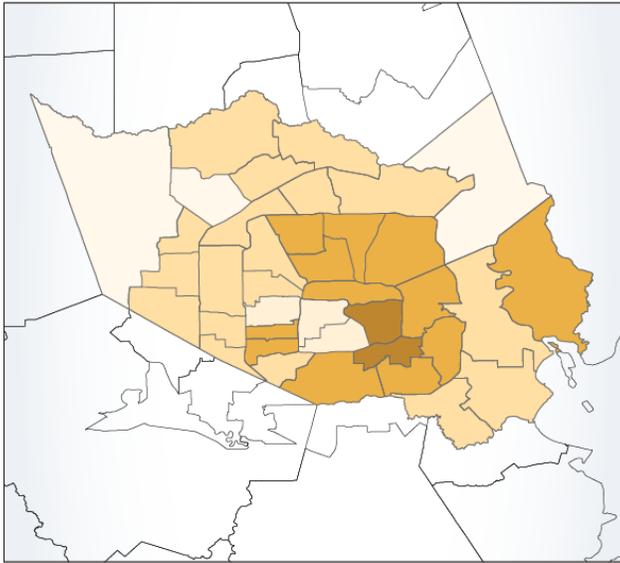
NOTE: Percentages may not add to 100 due to rounding.  
 SOURCE: Census Bureau. Federal Reserve Bank of Dallas

# Harris County

Number of opportunity youth: 75,852

Disconnection rate: 13.4%

**Chart 7A**  
Disconnection Rates in Harris County

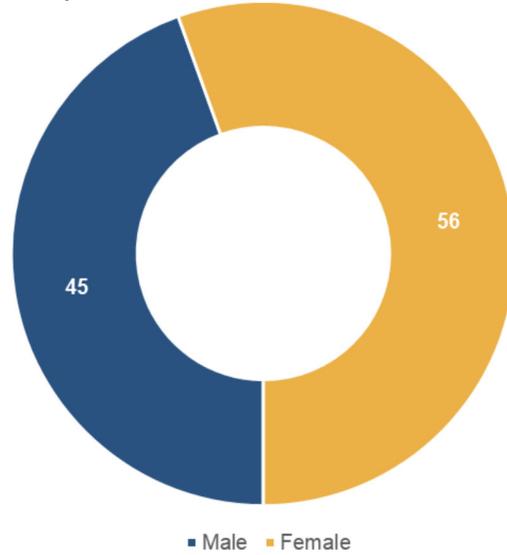


**Disconnection rate (percent)**  
 Under 10    10 to 14.99    15 to 19.99    20 and over

SOURCE: Census Bureau.

Federal Reserve Bank of Dallas

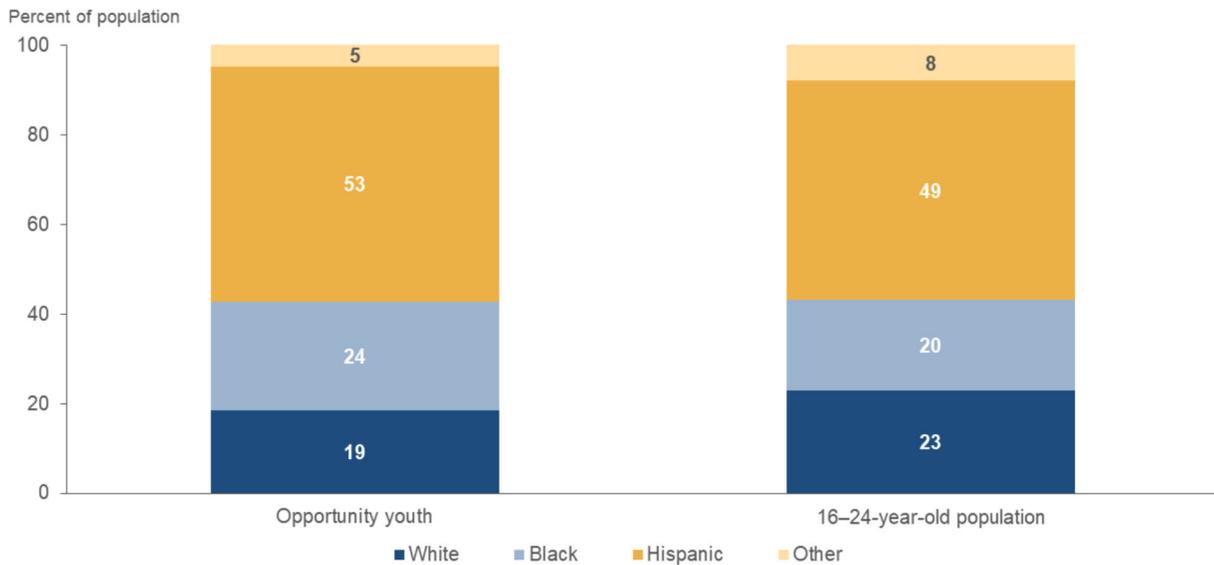
**Chart 8A**  
Opportunity Youth by Gender in Harris County (percent)



NOTE: Percentages may not add to 100 due to rounding.  
SOURCE: Census Bureau.

Federal Reserve Bank of Dallas

**Chart 9A**  
Opportunity Youth by Race/Ethnicity in Harris County



NOTE: Percentages may not add to 100 due to rounding.  
SOURCE: Census Bureau.

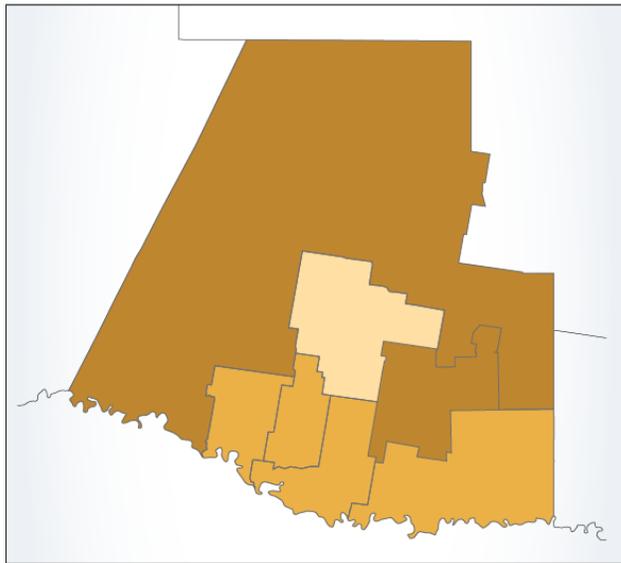
Federal Reserve Bank of Dallas

# Hidalgo County

Number of opportunity youth: 22,601

Disconnection rate: 18.5%

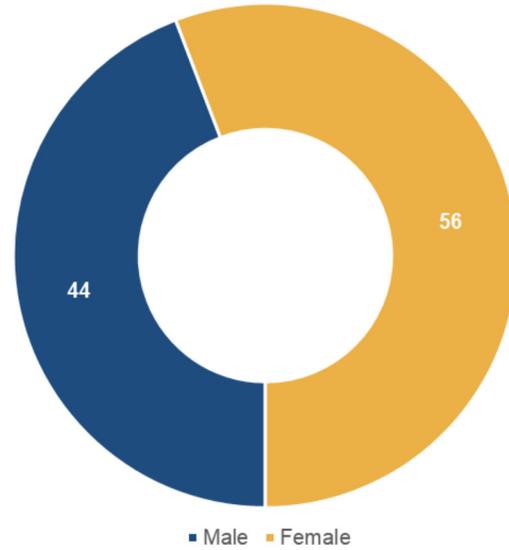
**Chart 10A**  
Disconnection Rates in Hildago County



**Disconnection rate (percent)**  
 Under 10    10 to 14.99    15 to 19.99    20 and over

SOURCE: Census Bureau. Federal Reserve Bank of Dallas

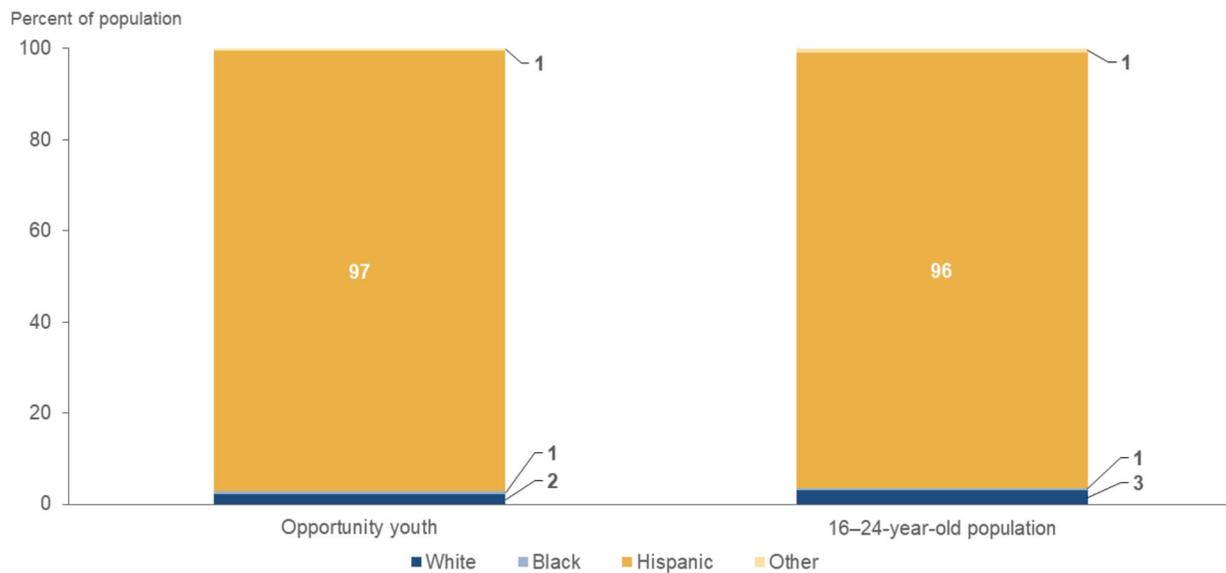
**Chart 11A**  
Opportunity Youth by Gender in Hidalgo County (percent)



NOTE: Percentages may not add to 100 due to rounding.  
SOURCE: Census Bureau.

Federal Reserve Bank of Dallas

**Chart 12A**  
Opportunity Youth by Race/Ethnicity in Hidalgo County



NOTE: Percentages may not add to 100 due to rounding.  
SOURCE: Census Bureau.

Federal Reserve Bank of Dallas

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## Notes

1. “Not working” includes both unemployed youth and youth who are out of the labor force altogether.
2. For more information, see “Making the Connection: Transportation and Youth Disconnection,” by Kristen Lewis, Measure of America, Social Science Research Council, 2019, <https://ssrc-static.s3.amazonaws.com/moa/Making%20the%20Connection.pdf>.
3. For more national-level information on opportunity youth, see Measure of America's several reports on the topic.
4. For more information, see “Two Futures: The Economic Case for Keeping Youth on Track,” by Kristen Lewis and Rebecca Gluskin, Measure of America, Social Science Research Council, 2018, [https://ssrc-static.s3.amazonaws.com/moa/PSID2018\\_FINAL.pdf](https://ssrc-static.s3.amazonaws.com/moa/PSID2018_FINAL.pdf).
5. According to Measure of America's estimates, for each opportunity youth who is reconnected to work or school, the federal government receives nearly \$12,000 per year in additional tax revenue and saves over \$35,000 a year in foregone incarceration costs. Connected youth are also 45 percent more likely to own a home and more than nine times more likely to have medical coverage.
6. For more information, see “More than a Million Reasons for Hope: Youth Disconnection in America Today,” by Sarah Burd-Sharps and Kristen Lewis, Measure of America, Social Science Research Council, 2018, <https://ssrc-static.s3.amazonaws.com/moa/dy18.full.report.pdf>.
7. See note 6.
8. See Figure 1, “Real Median Household Income by Race and Hispanic Origin: 1967 to 2017,” Census Bureau, Current Population Survey, 2018, accessed July 26, 2019, [www.census.gov/content/dam/Census/library/visualizations/2018/demo/p60-263/figure1.pdf](http://www.census.gov/content/dam/Census/library/visualizations/2018/demo/p60-263/figure1.pdf).
9. See Figure 1, Net Worth by Race/Ethnicity, 2016 Survey, in “Recent Trends in Wealth-Holding by Race and Ethnicity: Evidence from the Survey of Consumer Finances,” by Lisa J. Detting et al., *FEDS Notes*, Board of Governors of the Federal Reserve System, Sept. 27, 2017, [www.federalreserve.gov/econres/notes/feds-notes/recent-trends-in-wealth-holding-by-race-and-ethnicity-evidence-from-the-survey-of-consumer-finances-20170927.htm](http://www.federalreserve.gov/econres/notes/feds-notes/recent-trends-in-wealth-holding-by-race-and-ethnicity-evidence-from-the-survey-of-consumer-finances-20170927.htm).
10. See “The Mark of a Criminal Record,” by Devah Pager, *American Journal of Sociology*, vol. 108, no. 5, 2003, pp. 937–75, [www.jstor.org/stable/10.1086/374403?seq=1#metadata\\_info\\_tab\\_contents](http://www.jstor.org/stable/10.1086/374403?seq=1#metadata_info_tab_contents).
11. Two of the focus groups took place in Houston (Harris County) on June 10, 2019. These focus group participants were invited to attend through Educate Texas' Bridge to College and Career Success initiative, which includes four reengagement programs. The other focus group took place at Elvis J. Ballew College, Career & Technology Academy in Pharr, Texas (Hidalgo County), on July 1, 2019. The focus group participants in Pharr were either attending or had attended Ballew.
12. “Young and Adrift: Measuring Youth Disconnection in America Today,” by Kristen Lewis, Alex Powers and Marina Recio, *Huffington Post*, Sept. 26, 2016, [www.huffpost.com/entry/young-and-adrift-measurin\\_b\\_12125208](http://www.huffpost.com/entry/young-and-adrift-measurin_b_12125208).