ABSTRACT

The development of Federal policies affecting youth employment has gone through five critical periods during the 20th century. The period began with the failure of child labor reformers to obtain Federal intervention in youth labor markets. The New Deal greatly enhanced a reversal of the trend. Development of the Great Society programs provided an ongoing Federal commitment to improving the employability of disadvantaged youth. Comprehensive Federal youth employment programs initiated attempts to roll back earlier Federal efforts to intervene in the youth labor market. Currently, proposals are favoring greater involvement of the private sector in youth employment policy formulation. Each of the five major periods of Federal policy initiatives concerning youth employment policy has been characterized by excessive labor supply conditions. It is hypothesized that these periods of excessive labor supply have been significant factors in the creation and perpetuation of a political coalition that has successfully influenced Federal youth employment policy. Federal youth employment policy has had two major focuses: exclusion (limiting youth access to adult labor markets) and enclosure (keeping youth "busy" outside the adult labor market). The rationale is economic efficiency--keeping youth in school to protect adult jobs and increasing youth skills to improve productivity and career opportunities. (YLB)
FEDERAL POLICY TOWARD
YOUTH EMPLOYMENT:
AN HISTORICAL AND POLITICAL ANALYSIS

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Federal youth employment policy is a twentieth century phenomenon. Although its precedents date as far back as Edward III's "Statute of Labourers" in the Middle Ages, the real development of federal youth employment policies has been interwoven with the major controversies of this century concerning the federal government's power to regulate interstate economic activity and its willingness to provide programmatic assistance to specific segments of the population.

In this sense, federal policies affecting youth employment span a broad range of regulatory and programmatic devices whose emergence is generally associated with the New Deal programs of President Franklin Delano Roosevelt. However, while the New Deal era may have marked the establishment of the first permanent federal policies affecting youth employment, the economic conditions and political coalitions that were responsible for the adoption of these policies were largely formed in the first three decades of the century. And despite subtle shifts in the focus and rhetoric of the policies since the New Deal, the economic factors and political coalitions for effecting them have undergone little or no change.

The changes in the stated focus of federal policy toward the employment of youth can be seen in the semantics of policy debates on the subject. In the early twentieth century, the focus of the debate was on restricting "child labor." The New Deal focused on "idle and unemployed youth" in addition to "child labor." The Great Society policies were concerned with helping "disadvantaged youth" find "meaningful employment." And the "comprehensive" policies of the seventies tried to reach both the "idle" and the "disadvantaged" youth, while the "private sector" policies of the eighties have focused on
removing "barriers" to the employment of youth.

This changing rhetoric raises the question of whether the federal government has followed a consistent set of policies -- or at least a flow of policy in a reasonably consistent direction -- toward youth employment. The question is complicated by the anatomy of "federal policy," diverse as it is now in its regulatory and programmatic objectives and effects. The complexities introduced by the matrix of federal regulations and programs thus raises an even more basic question: Are or have federal policies toward youth employment ever been consistent in their objectives and total effects at any one point in time?

This paper attempts to sketch answers to these two questions first by presenting an outline of federal policies affecting youth employment. The economic factors and political coalitions that influenced the development of these policies are then examined, followed by an analysis of the underlying objectives and net effects of these policies.
Chronology of Federal Policy

There have been five critical periods in the development of federal policies affecting youth employment, all during the present century. The first of these periods covers the first three decades of the century, when child labor reformers experienced increasing success in changing state laws but were continually rebuffed in their efforts to obtain federal intervention in youth labor markets. The second period includes the temporary New Deal programs to employ youth and the permanent regulations to limit their access to primary labor markets. The third period involves the development of the Great Society programs and the emergence of an ongoing, bureaucratic federal commitment to improve the employability of disadvantaged youth. The fourth period covers the efforts to make federal youth employment programs comprehensive during the 1970s, addressing both the cyclical and structural problems of the youth labor market. And the fifth period is the current period, characterized by attempts to roll back earlier federal efforts to intervene in the youth labor market, and proposals favoring greater involvement of the private sector in youth employment policy formulation.

Early Twentieth Century

At the turn of the century, several states had already established minimum age and maximum hours laws for young workers, but most had large loopholes and lacked enforcement provisions (Trattner 1970: 50-67). The first attempt at federal legislation to regulate child labor was in 1906, when Senator Albert J. Beveridge proposed to prohibit the interstate transportation of articles produced in any factory or mine that employed youths under age 14. Although this attempt failed, states continued to undertake reforms. In 1912:
Twenty-two states (including the four leading southern textile-producing ones) still permitted children under fourteen to work in factories; thirty states still allowed boys under sixteen to work in mines; thirty-one states still authorized children under sixteen to work more than eight hours a day; twenty-eight states still let children under sixteen work at night; twenty-three states still did not require adequate documentary proof of age (Trattner 1970: 115).

The first successful federal legislation on youth employment was enacted in 1916 and was based on the federal government's power to regulate interstate commerce. The design of the law was to ban employment of youths under age 14 in factories, workshops, and canneries, and youths under age 16 in mines and quarries, and to prohibit all youths under 16 from working more than 8 hours per day and from working between 7 p.m. and 7 a.m. (Trattner 1970: 124).

However, nine months after the law took effect the Supreme Court ruled in *Hammer v. Dagenhart* that it was an unconstitutional exercise of the interstate commerce clause and an invasion of states rights. In 1919, another bill levying a 10 percent net profits tax on all employers of child labor covered under similar regulations was passed only to quickly meet the same judicial fate in *Bailey v. Drexel Furniture Company* (Trattner 1970: 136-42).

Concurrently with the efforts to enact direct federal controls over youth employment, many states were directly affecting youth employment by adopting compulsory education laws. In 1900, 17 states were still without compulsory education laws of some sort, though many required only six years attendance or less, and most affected only those youths under age 14. By 1920, all states had some compulsory education laws and most required eight or more years attendance and generally covered youths of age 16 and under (Stone 1926: 6-18). In addition, compulsory schooling laws became increasingly effective during this period, with school officials resorting to a greater degree of coercion to deal with increasing problems of truancy. The effect
of these measures was to quintuple the adult population that graduated from high school between 1900 and 1930 from 6 to 29 percent (Tyack 1976: 361-62).

To accommodate this large influx of students into the public school system, many of whom were from families with little or no education experience or inclination, vocational curricula specifically directed at future employment were developed with the intent of keeping working class youths in school because of its relevance to their futures (Lazerson et al. 1974: 18-23). This development facilitated the advancement of compulsory education and it was actively encouraged by the federal government with the passage of the Smith-Hughes Act in 1917. This legislation provided dollar for dollar matching federal grants to states as an incentive to get them to develop their own vocational training programs, with the stipulation that "instruction, to be effective, must be very specific and narrowly related to the occupational skills it seeks to develop." (Lazerson et al. 1974: 29-30)

By 1923 there was still no federal legislation that directly regulated youth employment. Some states had loosened their child labor laws following the Supreme Court's rejection of the federal laws passed in 1916 and 1919; only 13 states had laws that measured up to the standards set by these earlier federal statutes. It was at this time that a child labor amendment which simply permitted the federal government to regulate the employment of youths under age 18 (allowing states to enact stricter standards) was easily passed by Congress and seemed to enjoy widespread political approval. Passage seemed assured after quick, favorable votes in a few states, but then a string of rejections by southern states combined with an unfavorable association of the amendment with the backlash against the prohibition and women's suffrage amendments took much of the steam out of the drive. A three to one defeat of the amendment in Massachusetts dealt it a severe blow, and when it was
tabled in the New York legislature the child labor amendment was retired from public concern until the following decade (Trattner 1970: 164-78).

The New Deal

The depression decade saw many temporary and a few permanent changes in the federal government's intervention in the youth labor market. Between 1930 and 1932, back-to-school drives throughout the country increased the rate of high school enrollments by 45 percent (Osterman 1980: 71), and in 1933, 14 more states ratified the child labor amendment (Trattner 1970: 189-92). More far-reaching, however, was the direct action taken by President Roosevelt in 1933 under the authority of the National Industrial Recovery Act. Passed as an emergency measure, the NIRA was designed to "end cutthroat competition by promoting cooperative action among trade groups, to raise prices by limiting production, and to guarantee labor a reasonable work week and decent wages." (Trattner 1970: 190) These objectives were to be carried out during a two-year emergency period by the National Recovery Administration through codes of fair competition for all branches of business and industry. Again, this legislation was premised on the constitutional powers of Congress to regulate interstate commerce.

The NRA sought to limit youth labor through both age limitations and minimum wages. Over 90 percent of these codes set a minimum age of 16, and two-thirds of the codes excluded youth under 18 from hazardous employment. Only 15 out of 455 codes permitted youth under 16 to work, mostly in secondary industries such as theaters, retail, and newspaper distribution. Early codes also included an apprentice or learner's wage rate set at 80 percent of the minimum, though this practice was later changed to one limiting the wages paid to apprentices and learners to five percent of the total wage bill, primarily as an effort to avoid substituting youth for adult labor (Osterman
These codes removed over 100,000 youths under age 16 from industry and some 30,000 to 50,000 others between 16-18 from hazardous occupations such as mining, logging and sawmill operations (Trattner 1970: 192); still, some 500,000 youth workers were not covered by the NRA codes, mostly in agriculture and domestic service (Trattner 1970: 195). But the effects of these codes were not permanent as the Supreme Court found the NRA unconstitutional shortly after the codes became operative, and the following year the number of youth leaving school for work increased by 182 percent (Osterman 1980: 72).

Also established by emergency federal legislation in 1933 was the Civilian Conservation Corps. Although the bill as it was approved by Congress did "practically nothing more than to authorize the President to go into the public domain, carry on forestation (and other soil and water conservation projects), and employ citizens from among the unemployed," (Salmond 1967: 19) enrollment in the CCC was restricted by the Roosevelt Administration to single men ages 18-25 from needy, unemployed families. Allotments of up to $25 out of an enrollee's monthly wage of $30 -- one third of the prevailing wages for foresters -- were made to his family, and until 1937, enrollees were required to be members of families actually on relief. Initially intended to immediately employ 250,000, the CCC enrollment peaked in 1935 with a level nearly twice that amount (Kesselman 1978: 158-59).

Although the economic conditions of the depression have largely been credited with increasing the incentives for youth to stay in school, many youths were forced by these conditions to drop out of school to help provide for their families. To help destitute young people complete their high school and college education, the National Youth Administration was created in 1935. A much broader institution than the CCC in terms of total numbers employed of both sexes and in terms of projects undertaken (but not in terms of total
expenditures), the NYA was initially designed to provide students with part-time work related to their fields of academic interest and thereby attack the structural features of the labor market (i.e., transition from school to work) that caused high youth unemployment (Osterman 1980: 72; WPA 1939: 12-21). However, under pressure to "absorb" those youths who had left school, the NYA provided full-time employment in widely varying tasks to some 2.6 million youths during its period of existence (Salmond 1967: 76). These tasks were performed in the youth's local community, rather than in camps like the CCC, and many involved a limited amount of vocational training (Kesselman 1978: 207). Peak employment under the NYA reached 808,000, but not until 1940, much later than any of the other New Deal programs (Kesselman 1976: 158).

Throughout this time federal support for vocational education continued with little policy change. The George-Reed (1929), George-Elzey (1934) and George-Dean (1936) Acts increased federal funding from an original $7 million to $21 million available for vocational education assistance. A national committee review of the development of vocational education recommended in 1938 that the narrow scope of such training be relaxed and expanded, but this policy change did not begin to surface until the George-Barden Act in 1946 (Lazerson et al. 1974: 43-48).

In 1938, the Fair Labor Standards Act was passed into law embodying virtually all of the age limitations of the NRA codes, but made no exceptions for youth with regard to its minimum wage provisions. Under the law, employment of youth, aged 14-15, was prohibited in manufacturing, mining, or other areas found to be hazardous by the Secretary of Labor, which generally included construction, utilities, communications, and transportation. The Secretary could designate areas outside these restricted areas which are not hazardous for employment at these ages, as long as the conditions did not interfere with the youth's health and well-being. Youths 14-15 were also prohibited from
working more than 40 hours per week or more than 8 hours per day, and not between the hours 9 p.m. and 7 a.m., when school was not in session. When school was in session, the weekly limit was 18 hours and the daily was 3 hours, with work between 7 p.m. and 7 a.m. prohibited. For ages 16-17, employment was limited by designating certain situations to be particularly hazardous or detrimental to health and well-being. These involve explosives, operation of motor vehicles, mining of any type, logging and sawmilling, woodworking machinery, exposure to radiation, power-driven metal working, papermaking and baking equipment, slaughtering and meatpacking, manufacture of brick, tile, and similar products, use of saws, demolition and wrecking, roofing, and excavations (Mitchell and Clapp 1979: 55-57).

The FLSA also imposed minimum wages on firms in various industries, covering in 1938 about 43.4 percent of all nonsupervisory employees in private, nonagricultural establishments. This proportion was increased to 47.1 percent in 1939, and again to 55.4 percent at the close of World War II. The minimum wage overlapped many of the minimum age requirements, covering nearly all of the mining, manufacturing, transportation and public utilities industries, about three fourths of the wholesale trade and financial services industries, and not quite half of contract construction. Thus the major exemptions were in the retail trade, services and agricultural sectors (Welch 1978: 3-4).

As were all earlier attempts to impose federal regulations on youth employment, the FLSA was premised on the power of Congress to regulate interstate commerce. Once again, this effort was challenged in the Supreme Court, but in a landmark decision in 1941 the Court overruled its earlier decision in *Hammer v. Dagenhart* and upheld the constitutionality of the FLSA (Trattner 1970: 208). This marked the first permanent Federal policy which directly intervened in the youth labor market.
The CCC and the NYA did not achieve the permanence of the FLSA. In later years, the CCC increasingly was used as a staging ground for military preparedness, as the Army used it to train officers as supervisors and enrollees were given non-combatant training in vocations with military applications (Salmond 1967: 196-97). But in 1942, despite an effort by Representative Lyndon B. Johnson on behalf of the Roosevelt Administration to consolidate the two programs into a continuing Civilian Youth Administration, Congress let the funding for both programs lapse as the wartime effort consumed ever greater amounts of funds and youth enrollees (Salmond 1967: 209-17).

The Great Society’s War on Poverty

After a decade of federal policies focused upon expanding the supply of highly skilled and professional labor through various programs to stimulate higher education, such as the National Science Foundation and the National Defense Education Act, the 1960s were characterized by federal programs designed to train and rehabilitate the unemployed and disadvantaged, and by a continued growth in the coverage of minimum wages. Much of the federal legislation affecting youth employment came in two waves, with the initial authorizing legislation and programs being created in the early 1960s followed by a series of perfecting and refocusing measures around 1967.

In 1962, the Manpower Development and Training Act was passed with several explicit and implicit objectives: facilitating the employment of the unemployed, reducing poverty, lessening inflationary pressures, meeting labor shortages, upgrading the labor force and revamping traditional institutions. Although the original intent of the MDTA was to retrain experienced adult family heads displaced from established jobs by technological and economic change, the improvement of labor market conditions led to a series of amendments to the MDTA in 1963 which gave greater priority to youth through expanded
occupational training opportunities, liberalized eligibility standards, training allowances, and prevocational training (Levitan and Mangum 1969: 23; Anderson and Northrup 1975: 150).

The MDTA created two types of training programs: institutional and on-the-job training (OJT). Youths under age 22 tended to represent about 30 to 40 percent of the enrollees in both programs. The institutional training program, which enrolled between 130,000 and 150,000 persons per year, typically relied on federally contracted local skill centers to provide enrollees with vocational training, generally under the auspices of the local vocational and/or public school system. The OJT program enrolled between 80,000 and 100,000 persons per year, some of whom were already employed but were in need of skill retraining or upgrading (Levitan and Mangum 1969: 36-73; Anderson and Northrup 1975: 151-53).

Prior to 1966, the MDTA-OJT program was relatively small, relying on local employers and unions to make contract arrangements for federal funding. However, in 1967 federal policy was refocused on the "disadvantaged" — the young (under 22), the old (over 44), the nonwhite, the high school dropout, the rural, and the long term unemployed — and it was required that 65 percent of the enrollees in all MDTA programs be from this group, and that 50 percent of all enrollees be enrolled in OJT. To facilitate this transition, the National Alliance of Business Program, Job Opportunities in the Business Sector (NAB-JOBS), was announced in 1968, with the goal of placing 500,000 disadvantaged persons in "meaningful jobs" by 1971. About one third of these jobs were federally subsidized through national contracts between the MDTA-OJT program and national businesses and business associations (Levitan and Mangum 1969: 34; Anderson and Northrup 1975: 151, 187).

Two other federal programs specifically targeted toward helping disadvantaged youth in their labor market experience were created by the Economic
Opportunity Act of 1964, the Job Corps and the Neighborhood Youth Corps.

Created in response to the persistent high incidence of youth unemployment even during periods of relative tightness in the labor market, the Job Corps was designed to assist low-income and disadvantaged youth who needed and could benefit from an intensive program that would help them secure and hold meaningful employment, participate successfully in regular schoolwork, qualify for other training programs or satisfy Armed Forces requirements. This program was predominantly male oriented, and approximately 60 percent of the enrollees were black. Developed at first almost in the image of the CCC, the Job Corps was a residential program with urban centers emphasizing vocational training for youth with a reading achievement of sixth grade level or better, and conservation centers emphasizing basic education and work experience for enrollees with more acute educational deficiencies. Urban centers were privately contracted with businesses, universities, nonprofit organizations and in some cases, state agencies, while the conservation centers were contracted with USDA and DoI. Annual enrollment in the late 1960s was generally between 40,000 and 50,000 out of a universe of roughly one million youths (Levitan and Mangum 1969: 163-74; Anderson and Northrup 1975: 397-98).

The Neighborhood Youth Corps was created to "put idle youth to work constructively and, in some cases, to help prevent high school dropouts by providing parttime work." (Levitan and Mangum 1969: 211) The NYC had three component programs: a parttime job creation program for in-school youths, a fulltime job creation program for idle 16-20 year olds, and a summer employment program. Efforts to include remedial education and limited job training were made in 1970, when the program was administratively restructured. Enrollment in the NYC began at 138,000 in 1965, with about 25 percent of the enrollees accounted for in the fulltime employment program and the rest roughly split between the other two programs. However, by 1972, the NYC enrollment had
grown to over one million annually, with three fourths of the enrollees partici-
participating in the summer employment program and less than ten percent in the
fulltime program (Anderson and Northrup 1975: 423-25).

In 1966 the Economic Opportunities Act was amended to create two other
programs intended to help the disadvantaged in the labor market, the Concentrated Employment Program and the New Careers program, though neither was
specifically targeted toward youth. The CEP was designed to provide disad-
vantaged persons in high poverty and high unemployment areas with coordinated
counseling, prevocational training, job development and placement activities
preparing them for private or public sector jobs. Enrollment in this program
averaged about 100,000 per year, with about 40 percent of the participants
being youth under age 21 (Anderson and Northrup 1975: 332-38). The New Car-
eers program, which was expanded in 1970 and called the Public Service
Careers program, was designed to prepare disadvantaged adults and out-of-school
youths for careers in public service areas such as health, education, welfare,
neighborhood redevelopment, and public safety. More than other programs, New
Careers emphasized a combination of classroom and on-the-job training, and
guaranteed fulltime jobs in the public agency that provided the training once
the program was completed. However, even during the peak years of the PSC
this program was relatively small, averaging 20,000 to 30,000 enrollees per
year, and only about 20 to 30 percent of these were youth under age 22; the
total size and proportion of youth involvement was even smaller in the earlier
years of the New Careers program (Anderson and Northrup 1975: 202-10).

Most of the federal programmatic efforts to improve the employment op-
portunities of disadvantaged youth during the 1960s relied at least in part
on the provision of vocational or prevocational training. This placed many
new and diverse demands on the established vocational education system.
The Vocational Education Act of 1963 was the first major change in federal vocational education policy since 1977. Intended to redirect vocational training by broadening its scope and flexibility and by focusing on the economically and educationally disadvantaged, this act greatly increased appropriations, introduced noncategorical grants allowing states flexibility in the development of programs, and attempted to tie vocational funding to manpower and job retraining programs. However, most of these policy changes were without incentives or requirements sufficient to overcome the institutional inertia of nearly 50 years. As a result, it was not until the passage of the Vocational Education Amendments of 1968 that many of these policies began to take effect (Lazerson and Grubb 1974: 43-48).

The lack of change in vocational education policies can best be seen from a snapshot of vocational education in 1966, three years after the VEA of 1963. At that time, more than 46 percent of the six million persons enrolled in vocational education were studying home economics and agricultural occupations. Virtually half of all enrollees were in high school level programs, and despite nearly four years of official federal concern over the upgrading and retraining of the technical skills of the labor force, only four percent of vocational education enrollees were pursuing studies of technical occupations (Levitan and Mangum 1969: 112).

While federal programs to aid the employment of disadvantaged youth were burgeoning in the 1960s, federal minimum wage coverage was being extended to cover industries which tend to employ larger proportions of young workers, and at the same time these minimums were being raised to their highest levels yet. The coverage of minimum wages had fallen slightly during the 1950s, but rose from 53.1 percent to 62.1 percent of all nonsupervisory employees in private, nonagricultural work in 1961. Between 1961 and 1966, minimum wage coverage of the construction industry nearly doubled, and retail trade coverage
increased from 3 to 33 percent. By 1967-68, coverage was nearly 100 percent in mining, manufacturing, transportation and public utilities, and construction, while coverage of the service industry had tripled to over 60 percent and retail trade's coverage had risen to about 50 percent -- resulting in minimum wage coverage of roughly three fourths of all nonsupervisory employees. The relative level of the minimum wage also rose significantly during this time, increasing from 51.2 percent to 55.6 percent of the average manufacturing wage between 1961 and 1968 -- its highest relative level to date (Welch 1978: 3-4).

Comprehensive Employment and Training

The proliferation of "manpower" programs continued into the 1970s with the creation of the Youth Conservation Corps in 1970 and the enactment of the Emergency Employment Act of 1971, which created the Public Employment Program.

The YCC, like the CCC, was established under the administration of the departments of Interior and Agriculture to provide summer employment to youth ages 15-18 in a "healthful outdoor atmosphere," working to develop and maintain the nation's natural resources. Unlike the early CCC though, the YCC was not targeted to assist economically disadvantaged or any other special group of young people. This program was made permanent in 1974, and over the following seven years it grew to serve about 35,000 youth annually (CETA Comp. 1979: 192; OMB 1981: 219).

The Public Employment Program, unlike the programs of the 1960s, was almost purely a job creation program designed not to provide training but rather to provide transitional employment in public service jobs for the jobless and underemployed when the national unemployment rate reached relatively high levels. Youth and the disadvantaged were only partially targeted by this program, with youth under 22 representing only 23 percent and disadvantaged persons representing 39 percent of the over 300,000 participants during the
program's two year tenure (Anderson and Northrup 1975: 252-59).

The hodgepodge of federal employment and training programs of this time is best summarized by William Mirengoff and Lester Rinder:

By the end of the 1960s, there were more than 17 programs, each with its own legislative and organizational base, funding source, and regulations. Out of these so-called categorical programs flowed 10,000 or more specific manpower projects, often several in the same community competing for the same clientele and resources. These programs generally were conducted through public and nonpublic agencies but not through the local governments themselves. (Mirengoff and Rinder 1976: 2)

In 1973, the Comprehensive Employment and Training Act was enacted to consolidate most of these programs and to transfer their control from the federal government to state and local officials. Title I of CETA established a program of financial assistance to "prime sponsors" (cities and counties and combinations thereof with populations of 100,000 or more) to develop and run the types of manpower programs they found most useful for their needs. Title II provided funds to prime sponsors in areas of substantial unemployment to hire unemployed and underemployed persons in public service jobs. Title III authorized federal manpower programs for Indians, migratory farm workers, youth offenders, and other groups with special needs. Title IV continued the Job Corps program, and Title V established the National Manpower Commission. The Emergency Jobs and Unemployment Assistance Act of 1974 brought the NYC summer youth employment program under the umbrella of CETA, and created Title VI, which authorized a countercyclical Public Service Employment (PSE) program for all areas (Mirengoff and Rinder 1976: 2-5). Thus the major changes in federal policy instituted under CETA were the reduction in emphasis on countercyclical public service employment, a policy that was quickly reversed in 1974, and the provision for greater local design and control of manpower programs, although this latter policy change was limited essentially to Title I programs since the rest of the titles remained categorical in nature.
The CETA programs served roughly one and a half million youths under age 22 annually during the mid-1970s, or approximately two-thirds of the total CETA participants. Between half and two thirds of these youth were involved in CETA under the auspices of the summer youth employment program NCEP-5 1979: 133-35). In 1976 and again in 1977, Title VI PSE authorizations were expanded dramatically. By 1978, PSE programs under Titles II and VI accounted for 58 percent of all CETA appropriations, compared with 34 percent in 1975. This shift in the focus of CETA had little effect on the total numbers and proportion of youths served by CETA; Titles II and VI continued to have roughly 20-25 percent youth participation, and although youth participation in Title I dropped from 62 percent to 49 percent between 1975 and 1978, this decline was offset by rising enrollments in the summer youth employment program (Mirengoff and Rinder 1978: 3; NCEP-5 1979: 133-35).

In 1977, CETA was amended by the Youth Employment Demonstration Projects Act, which established several employment, training and demonstration programs to explore methods of dealing with the structural unemployment problems of youth. These programs were authorized in four areas: Youth Employment and Training Programs, designed to augment existing CETA programs in finding ways to interrelate employment and training opportunities for economically disadvantaged and structurally unemployed youth; Youth Incentive Entitlement Pilot Projects, designed to provide parttime employment guarantees to 16-19 year old disadvantaged youth providing that they stay in school and complete their high school education; Youth Community Conservation and Improvement Projects, designed to provide employment and skill training through community conservation and other service projects for unemployed 16-19 year old youth; and the Young Adult Conservation Corps, designed for youth ages 16-23 as a separate program from the YCC with the intent of providing employment in conservation work and other public projects (CETA Comp. 1979: 74-94, 118-23).
The CETA Amendments of 1978 restructured CETA's organization, making Title I an administrative section, expanding Title II to provide training and (PSE) employment to the structurally unemployed, and bringing together under Title IV the Job Corps, the summer youth employment program, and the Youth Employment Demonstration Projects (except for YACC, which was kept separate under Title VIII). Title VI remained essentially the same, tying authorizations to a national unemployment trigger, as did Title III and Title V (though "Manpower" became "Employment Policy").

The major change in federal youth employment policy in the 1978 CETA amendments was the creation of the Private Sector Opportunities Program under Title VII. Under this program, Private Industry Councils (PICs) of business, education, organized labor and community representatives were created in each prime sponsor's area with the purpose of coordinating education and training efforts with private sector jobs. In effect, the program was designed to augment on-the-job training in private industry jobs with the direct involvement or guidance from local business leaders (CETA Comp. 1979: 114-18).

The policy shift toward private sector job creation at this time was not limited to CETA. The Tax Reduction and Simplification Act of 1977 had created the New Jobs Tax Credit program, which provided a subsidy (i.e., tax credit) to employers increasing their payroll by more than 2 percent annually. This program lasted two years, subsidizing the employment of nearly four million persons in over one million businesses (Bishop and Wilson 1982: 220). However, little information exists on this program's impact on youth employment.

This approach was soon adopted for targeted assistance to disadvantaged youth and other special groups under the Targeted Jobs Tax Credit program, enacted as part of the Revenue Act of 1978. This program was designed to provide a declining, two-year subsidy of limited wages paid to eligible participants, with the tax credit accruing to the participant's employer. Among other
groups, two youth groups were targeted by the program: economically disadvantaged youths ages 18-24, and youths ages 16-19 participating in some form of vocational training program. Eligibility for the TJTC program is determined by several agencies, CETA prime sponsors and the U.S. Employment Service being the primary ones. By the end of 1980, roughly 400,000 to 500,000 youths had been enrolled in the program (CETA Comp. 1979: 181-94; Angrisani 1981: 45-46).

Following the trend in federal youth employment and training programs, federal vocational education policy shifted toward greater responsibilities for state and local governments in the 1970s. In 1973, state and local governments outspent the federal government on vocational education by almost five to one, but by 1977 the lack of significant increases in federal vocational education spending raised this ratio to nearly nine to one. Of the 16 million persons enrolled in some form of vocational education in 1977, 60 percent were in high school, 14 percent were in postsecondary institutions (mostly junior colleges), and 26 percent were in adult continuing education. Over half of these enrollees were women -- whose training was still strongly influenced by sex stereotyped emphases of high school curricula on home economics and clerical occupations -- 23 percent of the enrollees were minorities, 12 percent were educationally disadvantaged, and 2 percent were handicapped. In an effort to improve the targeting of vocational education, the Vocational Education Act of 1963 was amended in 1976 with new targeting provisions for the handicapped and the disadvantaged, matching funds requirements, and sex equity provisions (NCEP-5 1979: 109-29).

The 1970s also brought the first major changes in the federal child labor laws since the Fair Labor Standards Act of 1938. In 1974, special limitations were added to youth employment in the agricultural sector, which had previously been exempted from limitations outside school hours. As amended, the agri-
tute portion of the law prohibits employment of youth under age 12, allows work outside school hours for youths 12-13 with parental consent, and allows work outside school hours for 14-15 without parental consent, though youth under 16 are still subject to certain "hazardous conditions" restrictions (Mitchell and Clapp 1979: 55).

In the same year, several changes were also enacted in the minimum wage laws as the coverage of all nonsupervisory employees in private, nonagricultural work rose from 72.6 percent to 83.7 percent. This increase in coverage was greatest in the retail sales industry, and by 1976 the coverage of minimum wages in this industry had grown from 49 percent to 72 percent (Welch 1978: 3-5).

The level of the minimum wage also continued to grow during this time, but only during the later part of the decade did its level increase relative to the average manufacturing wage. Between 1968 and 1974, the minimum wage fell from 55.6 percent to 47.2 percent of the average manufacturing wage. However, it was not until the regular increases scheduled in the 1977 FLSA amendments took effect that the relative level of the minimum wage began to rise again. Thus, as the federal government pursued job creation programs that were based on wage subsidies, it was also increasing the relative level of the minimum wage (Welch 1978: 3-5).

Youth Employment Initiative in the 1980s

By 1980 the proliferation of federal employment programs -- particularly youth employment programs -- was again a concern for federal policy action. With YEDPA set to expire that year, the Carter Administration proposed to consolidate and expand the YEDPA programs into a single program under Title IV of CETA and create a new program to provide compensatory education for youth in secondary schools. Under this "Youth Initiative," the Job Corps would be re-
tained and expanded while the YCC and the YACC programs would be phased out, and the summer employment program would be coordinated more directly with the consolidated youth program (CBO 1980: 35-50).

The dual purpose of this proposal was to improve the targeting and coordination of youth employment and education programs. The summer employment program and the new Title IV program were to have the same eligibility criteria targeting 90 percent of all assistance to economically disadvantaged youth. Education assistance was designed to be narrowly targeted to schools with disproportionate numbers of disadvantaged students for programs providing special remedial education and employment skill development to needy youth. Some of this education assistance was also slated for distribution by state vocational education agencies. But despite the new emphasis on more focused targeting and the subtle shift from pure job creation policies to policies favoring more training and school-to-work transition efforts for particularly disadvantaged youth, the actual number of youth served under this new policy would have risen from 2.4 million to 3.5 million (CBO 1980: 15, 35-50).

However, this Youth Initiative was destined for failure, partly as the result of a policy tradeoff that kept other proposals for a "subminimum" youth wage (i.e., some provision for paying teenagers only a fraction of the minimum wage) from being enacted. As a result, the YEDPA programs expired while the Reagan Administration pursued the policies of phasing out the YCC and the YACC (OMB 1981: 219, 246).

The transition from the Carter to the Reagan Administrations has ushered in a new focus in federal youth employment policy. Private sector solutions, such as the subminimum wage, began to dominate the proposals for addressing youth employment problems. In this environment, the TJTC, a precursor to this new focus, was reauthorized in 1981, and several new proposals were advanced by the new administration. "Enterprise zones," where various regulations and
taxes would be relaxed to stimulate economic activity, were proposed for severely depressed central cities and rural areas with a high incidence of poverty and unemployment. A rollback of child labor laws, permitting substantial increases in the number of hours 14-15 year olds could work, was also proposed by the Reagan Administration (Fed. Reg. 1982: 31010, 31254). None of these proposals has yet received definitive action.

In the context of this new policy focus, CETA was recently reauthorized as the Job Training Partnership Act of 1982. The new Act calls for greater participation of local Private Industry Councils and state governments in the planning and development of employment and vocational training programs authorized by the Act. Title II of the Act is divided into adult training programs and youth preparatory programs for youth 16-21, with youth funds to be split between locally designed programs for in-school and out-of-school youth from economically disadvantaged households. Title III of the Act provides employment and training assistance for displaced workers, which effectively excludes youth from most of its assistance. Title IV provides for the continuation of the Job Corps and other national programs for specially disadvantaged groups. However, this legislation was authorized for funding substantially below the 1979-80 levels of CETA.
Labor Market Conditions: Catalyst for Coalition

Political coalitions are integral to the federal government’s sense of responsibility for the performance of the country’s economy. Deteriorating economic conditions — and in the context of this paper, deteriorating labor market conditions — play an important role in influencing the formation and continued strength of political coalitions whose objective is to safeguard its members’ economic interests.

The focus of this section is to review the history of youth labor market conditions and to consider how these conditions have influenced the development of political coalitions concerned with youth employment policy.

Youth Labor Supply and Demand in Historical Perspective

Equilibrium in the market for youth labor is dependent on relative changes in the supply and demand for unskilled or unexperienced labor. These supply and demand changes are in turn dependent on a host of other factors, including macroeconomic conditions, technological and productivity improvements, demographics, immigration, the labor force participation of other groups such as women, trends in social values and institutions (such as education), as well as changes in government policies that intervene directly in labor market behavior.

During the first three decades of this century, some very dramatic changes in the youth labor market took place without any real intervention on the part of the federal government. In 1900, one out of every four males and one out of every ten females ages 10 to 15 years old were working, but by 1920, these proportions had dropped dramatically, and by 1930 only six percent of males and two percent of females ages 10-15 were working (Osterman 1980: 54).
Most of this decline in youth employment can be traced to a rapid dropoff in the demand for unskilled labor in this country. Technological gains, labor saving inventions, and the introduction of mass production techniques brought the average annual output per unit of labor input to a level one third higher during the 1900-1920 period than during the 1879-1899 period (Osterman 1980: 55). As Paul Osterman illustrates:

In textiles, the introduction of the Draper loom in the 1890s increased from 6 to 20-24 the number of machines that could be tended by one worker. The output per hour for machines opening bales was 350 lbs. in 1900; in 1920 the output rose to 2,000 lbs. (Osterman 1980: 55)

Additional reductions in the demand for unskilled labor came from the continued shift from farm to city. In 1900, farmers and farm laborers represented 40 percent of the labor force, but by 1920 this figure had dropped to 28 percent as the potential for higher wages lured unskilled workers, primarily youth, into the urban development boom (Osterman 1980: 56; Easterlin 1968: 14).

At the same time that the relative demand for unskilled labor was falling, the supply of unskilled labor was increasing sharply. During the first decade of the century, immigration accounted for over 40 percent of labor force growth, and between 1910 and 1920, it accounted for over 25 percent of labor force growth. Since most immigrants were unskilled, the primary impact of their arrival was to swell the already overcrowded lower ranks of the labor market. This excess supply of unskilled labor depressed wages in the lower strata of the labor market, and increased the differential between wages for skilled and unskilled labor by 15 percent between 1896 and 1914 — a gap that was not closed until WWII (Osterman 1980: 57).

The growing excess supply of young workers during this period, along with the increasing value being placed on skilled labor and the growing number of state compulsory education laws, led more and more young people to attend high
school. Between 1900 and 1930, the proportion of total school enrollments accounted for by high school students rose from 3 percent to 17 percent (Tyack 1976: 362). These factors, combined with the increasing coverage of state child labor laws contributed to the decline of labor force participation rates of males ages 10-13 from 17.7 percent in 1900 to 3.3 percent in 1930 (Easterlin 1968: 269).

The unprecedented decline in economic activity between 1929 and 1933 of over 30 percent raised the overall unemployment rate from 3 to 25 percent (Easterlin 1968: 208-09; CEA 1981: 264). Under these economic circumstances the competition for any job opening was intense, and this intensity increased as the skill requirements decreased. Given that nearly all youth entering the labor market were unskilled, this put them in fierce competition with adults for a shrinking number of jobs.

The effect of this excess supply of unskilled labor was compounded by the ability of youths to underbid the wages of adults. In 1931, roughly 90 percent of urban high school aged youth that were out of school lived with one or both parents, most of whom were working (Heck 1931: 15, 21). By relying on at least some degree of family support, about two thirds of these youth were able to work for wages that did not support themselves fully (Heck 1931: 54). In this sense, the presence of youth in the labor market depressed adult wages for unskilled employment and contributed to adult unemployment.

This problem was documented by the Works Progress Administration:

The unemployment problem, then, is greatest among youth who have most recently entered the labor market, especially if they started looking for work at an early age, before they had obtained much education. Even if the younger members of the group obtain employment, they usually continue under a handicap in terms of wages. It is reasonable that new workers would be worth less to an employer than experienced workers. But low wages are also a reflection of the intense competition for those jobs which require little training or experience. The supply of trained and untrained youth (and adults as well) who are out of work and willing to take unskilled or semiskilled jobs is so great that employers need not
pay high wages. (WPA 1939: 24-25)

The CCC and NYA programs mitigated this crisis to some degree. In 1938 at the depth of the second major drop in economic output of the 1930s, one estimate of unemployment among youth ages 16-25 was 16 percent, with approximately another 4 percent of the youth in this age group enrolled in the CCC and NYC programs (WPA 1939: 25). On the other hand, the implementation of the NRA and later the FLSA codes on minimum wages lowered the employment of youth ages 14-19 by roughly 3 percent during the 1930s (Trattner 1970: 192).

With a large excess supply of unskilled labor during the depression years, many youth found that the bleak prospects for employment meant that the opportunity costs for remaining in school were fairly low. This factor, along with major back-to-school drives contributed to the increase in the percentage of total school enrollments accounted for by high school students from about 18 percent to 26 percent during the decade (Tyack 1976: 362). Thus the effects of the economic depression during this period contributed heavily to the lowest total labor force growth rates of this century (Easterlin 1968: 144).

World War II saw some decline in high school enrollment rates as well as the relaxation of some FLSA regulations for young workers as the demand for civilian labor grew and the supply was drawn down by military requirements. However, the increase in the civilian labor supply at the close of the war was not without the reverse effect on youth employment opportunities. This effect may have been mitigated somewhat by the lower relative level of minimum wages at the time, and exacerbated by an increase in the coverage of the minimum wage. When the relative level of minimum wages rose sharply again in 1950, the unemployment rate for teenagers 16-19 rose again from less than 10 percent to over 12 percent (Welch 1978: 3;
Youth unemployment stayed at this approximate level throughout the 1950s, with the exception of the Korean War years when youth unemployment dropped by about 4 to 5 percentage points (CEA 1981: 267). Much of this high unemployment was due to sluggish economic growth throughout the decade, which, along with the low birth rate during the depression years, contributed to lower rates of labor force growth relative to the 1940s (Easterlin 1968: 144).

The impact of the Kennedy Administration macroeconomic stimulus programs raised the rate of economic growth during the early 1960s, lowering total unemployment but leaving a persistently high level of youth unemployment. By this time youth unemployment (ages 16-19) had risen to the 15-17 percent range, while total unemployment was about 5 to 7 percent (CEA 1981: 267). Federal employment and training programs at this time were relatively small and did very little to mitigate the high level of youth unemployment, while the increase in minimum wage coverage at the beginning of the decade may have increased the wage barriers for youths seeking low wage employment.

By 1966-67, the "baby boom" generation was coming of working age. Increases in military activities in Vietnam siphoned some of this group away from the labor market while generating enough domestic economic growth to lower teenage unemployment to 12-13 percent and overall unemployment to 3-4 percent (CEA 1981: 267). The demographics were contributing approximately one million additional potential labor force entrants to the economy each year, over and above the post-WWII average (Pop. Cttee. 1978: 16). Of this number, many were entering college at increasing rates, about half were entering the military, and many others were finding employment as labor market conditions tightened and the NYC summer youth employment program grew. Between 1958 and 1967 there was a significant substitution of teenage for adult labor as the teenage proportion of total employment rose from 5.7 to 7.6 percent.
This increase in the level and relative size of youth employment continued into the next decade, despite major increases in minimum wages and their coverage in 1968 and an economic recession in 1970-71. Between 1968 and 1973, over 8 million new jobs were added to the economy, and youths under age 25 accounted for over half of this added employment (Wernick and McIntire 1980: 118). However, the rapid increase in the supply of youth labor contributed by the baby boom and the 1970-71 recession were not without their effects, as teenage unemployment rose to over 15 percent in 1970-72, despite large scale job creation efforts of the Public Employment Program (CEA 1981: 267).

By the mid-1970s, the effects of the rising supply of young workers and falling economic output (due to the 1973-75 recession) had pushed teenage unemployment to record post-WWII heights of almost 20 percent (CEA 1981: 267). This high rate of youth unemployment was reduced somewhat by the subsequent economic recovery and the massive increase in job creation and youth employment programs of the Carter Administration. However, this recovery in youth unemployment may have been hampered by increases in the coverage of minimum wages during the mid-1970s, most significantly in the retail trade and services industries (Welch 1978: 4). An additional factor that dampened the demand for young workers was the dramatic increase in the number of women entering the labor market, many of whom possessed few skills and little experience and thus contributed greater competition for unskilled job openings. Their influence on the labor market can be seen from the fact that of the 10 million jobs added to the economy between 1973 and 1978, almost two thirds went to women while only one fifth went to youth under age 25 (Wernick and McIntire 1980: 118). Thus, despite the economic recovery that lowered overall unemployment to less than 6 percent and the large scale federal employment
programs serving roughly 2.4 million youth annually, by the end of the 1970s teenage unemployment was still in the 16-17 percent range (CEA 1981: 267).

One of the factors contributing to this high youth unemployment rate is the fact that a core of extremely disadvantaged youth tends to experience long term unemployment:

Almost 2.6 million, or roughly 10 percent, of the youth aged 16 to 24 in the labor force during 1978 were unemployed for 15 weeks or longer. At the same time, as many as 1.5 million more youth were not looking for work but said they wanted jobs. Those youths unemployed for 15 weeks or longer represented more than two thirds of all persons aged 16 to 24 who were unemployed. (CBO 1980: 2-3)

The effect that this core of long term unemployed youth has on the teenage unemployment rate arises from the fact that most young people experience some degree of unemployment, but only for relatively short periods of time. Thus, while a relatively large group of young people pass through the unemployment status, they contribute to a smaller proportion of the unemployment rate than do the long term unemployed because on average, there are fewer of the marginally unemployed youths in the ranks of the unemployed at any one point in time. As the National Commission for Employment Policy points out:

While most young people are able to make the transition from school to work without undue difficulty, a substantial number, particularly those who come from families with low income and minority group status and who have failed to acquire a high school diploma, face serious difficulties. Unless their educational deficits can be reduced and eliminated, many will not be able to obtain and hold a regular job. (NCEP-5 1979: v)

This finding has been well documented by the Congressional Budget Office:

Low income youth have an unusually high incidence of joblessness and educational problems. In 1978, unemployment rates among economically disadvantaged young people aged 16 to 24...averaged 18 per-cent, 7 percentage points higher than those of more affluent youth of the same age, sex, and race. Furthermore, more than half of all high school dropouts aged 14 to 22 came from families with incomes below $10,000.
Young nonwhites also experience a disproportionately large share of youth employment and educational problems. For the last two decades, unemployment rates for nonwhite youth have averaged 1.5 to 2.5 times those of whites. Since 1970, unemployment rates for nonwhite teenagers aged 16 to 19 have exceeded 30 percent. At the same time, the percentage of employed nonwhite teenagers has fallen sharply: the figure now stands at roughly 25 percent -- barely half that of white teenagers. (CBO 1980: 3-4)

Many of these problems are following long term labor market trends which appear to be worsening. Although the excess labor supply effects of the baby boom will decrease the "boom generation" grows older, the "baby boom" phenomenon was concentrated in the white population while the nonwhite population has experienced a boom that continues to swell their ranks of teenagers. When this trend is combined with the declining labor force participation of teenage nonwhite males (and fairly level participation of females) during the past two decades, it appears that the unemployment problems of nonwhite youth will continue to increase even though improvements in the labor supply conditions for white teenage youth may lead to some decline in overall teenage unemployment in the 1980s (Wernick and McIntire 1980: 114-16).

This outlook for the youth labor market is not encouraged by the macroeconomic outlook for the first half of the 1980s. The recession of 1981-82 pushed overall unemployment rates to post-WWII record levels near 10 percent, and raised teenage unemployment to roughly 54 percent (CEA 1982: 12). These conditions, combined with dramatic cutbacks in youth employment programs and several forecasts for a slow economic recovery suggest continued high youth unemployment for at least the first half of the decade.

Thus to summarize, there have been five major periods of excess youth labor problems during the present century, each roughly paralleling the five periods of federal youth employment policy initiatives: the first occurred as a result of immigration and technological/productivity improvements in our economy during the early twentieth century. The second was brought on by the
Great Depression of the 1930s. The third resulted from structural problems in adapting to technological changes in the economy, along with sluggish economic growth in the early 1960s. The fourth resulted from the surge of the baby boom into the work force, combined with poor economic growth in the early and mid-1970s and the increasing labor supply of women. And the fifth came as a result of the yet unresolved structural problems of disadvantaged youth, compounded by continued increases in women’s labor force participation and depressed macro-economic conditions.

Conditions for Coalition

There have been five major periods of federal policy initiatives concerning youth employment policy, and each of these periods have been characterized by excess labor supply conditions. The hypothesis presented here is that these periods of excess labor supply have been significant factors in the creation and perpetuation of a political coalition that has successfully influenced federal youth employment policy.

The excess labor supply conditions of the early twentieth century created a favorable environment for the development of political coalitions promoting child labor reform and compulsory education. The basic coalition of organized labor, education, religious and civic or social reform groups that was formed during this period was not created overnight, nor was it immediately successful, but over the years it has continued to exist and exert substantial influence on federal policies affecting youth employment.

By the end of the nineteenth century, organized labor already had a long history of concern for child labor and education. Walter Trattner clearly identifies at least part of the basis for this concern:
As concerned with the problem of hours as it was with schooling, organized labor demanded a shorter work day for minors, probably in the hope of using it as an entering wedge to limit adult hours. And the unions correctly noted that competition from children depressed wage scales, an argument frequently used by later opponents of child labor. It was not surprising then, that the first proposal to establish a minimum age for factory workers was made at a National Trades' Union convention in 1836. (Trattner 1970: 30)

Initially fearful of creating a dangerous precedent for federal interference in labor relations, the American Federation of Labor in its first annual convention in 1881 called for the states to bar children under age 14 from all gainful employment. The reluctance of organized labor to support federal legislation was an important factor in the failure of such a measure in Congress during the first decade of this century. However, by the middle of the next decade this position had changed, and by 1922 when it was clear that a constitutional amendment would be necessary for federal regulation of child labor, it was Samuel Gompers himself who spearheaded the broadest based coalition to date in seeking such an amendment (Trattner 1970: 33-89).

At the turn of the century, several states had already established minimum age and maximum hours laws for young workers, but most had large loopholes and lacked enforcement provisions. Formed in 1904 to remedy this situation, the National Child Labor Committee was heavily dominated by Edgar Gardner Murphy, a southern Episcopal clergyman with a healthy respect for "states' rights" and an abiding aversion to federal legislation. By 1912, the NCLC had prompted 39 states to pass new child labor laws or amend existing statutes, but much needed to be done (Trattner 1970: 50-67, 115):

[T]wenty-two states (including the four leading southern textile-producing ones) still permitted children under fourteen to work in factories; thirty states still allowed boys under sixteen to work in mines; thirty-one states still authorized children under sixteen to work more than eight hours a day; twenty-eight states still let children under sixteen work at night; twenty-three states still did not require adequate documentary proof of age. (Trattner 1970: 115)
Early support for child labor reforms from political parties started at the fringe with the Prohibition party in 1872 and the Greenback party in 1880 (Trattner 1970: 32-33). By 1892, the Democratic party included the following plank in its convention platform:

We are in favor of the enactment by the states of laws for abolishing the notorious sweating system, for abolishing contract convict labor, and for prohibiting the employment in factories of children under fifteen years of age. (Trattner 1970: 33)

It was not until 1912 that federal regulation of child labor became part of a national party platform — that of Theodore Roosevelt and the Progressives. But Roosevelt did not win in 1912, and in place of federal legislation the United States Children's Bureau was created and empowered by President Wilson, a southerner, as "not so much an initiating agency as a responsive one, depending on the vigorous action of...citizens." (Trattner 1970: 121)

However, by 1916 Roosevelt was realigned with the Republican party and many Progressives were clearly frustrated with Wilson's lack of social reform. In a purely political move to regain leadership of a popular social issue, Wilson acceded to a Democratic plank favoring an "effective Federal Child Labor Law" and then delayed acceptance of his party's nomination until he had ensured the passage of such a bill in Congress (Trattner 1970: 129-31).

Nine months after the law took effect, the Supreme Court ruled that it was an unconstitutional exercise of the interstate commerce clause and an invasion of states' rights. In 1919, another bill levying a net profits tax on all employers of child labor was passed only to quickly meet with judicial defeat (Trattner 1970: 136-42).

Encouraged by the popularity of the issue and their political success but frustrated by judicial defeats, many of the members of the "reform coalition" broadened their efforts to focus on child labor and its relation to education.
Many of these groups had long been advocates of compulsory education. Organized labor's support of education for all classes can be traced back to Rhode Island in 1799-1800, when the Mechanic's Association forced the legislature to establish a system of public schools (Ensign 1:21: 40). The NCLC was fully aware that child labor laws were not the only means of halting the abuses of the youth labor market, as Trattner points out:

The Committee greatly broadened its activities during the postwar years to include the whole field of human conservation. Its members had never looked upon child labor reform as a negative movement; rather, it was a means to an end -- the making of useful and happy lives. Committee people knew they could never abolish the injustice merely by securing child labor laws -- state or federal -- however advanced and flawless they were. To keep the child from going to work they had to follow him into the school, the street, and the home; they could not be indifferent to the problems of education and vocational guidance, recreation and public health, mothers' pensions and minimum wages, workmen's compensation and unemployment insurance, indeed, all aspects of child and family welfare. (Trattner 1970: 154)

To this end, compulsory education was one way to keep at least the youngest children from working.

To accommodate this large influx of students into the public school system, many of whom were from families with little or no education experience, major changes occurred in public school curricula. As Marvin Lazerson and Norton Grubb describe the phenomenon:

Because those who had attended high school prior to 1890 tended to be middle class, secondary education had functioned to prepare students for social and economic leadership. After 1890, however, educators noted that those crowding into high school were different from previous students: they were the "children of the plain people," the "masses" as opposed to the "classes." The influx of working class and immigrant children threatened to destroy the high school's traditional function. The entry into the high school of the "children of the plain people" and the assumption of the increased importance of formal schooling raised the possibility that the newcomers might need an education peculiarly suited to their backgrounds and aspirations -- the dropout problem and the impact of business values on schoolmen -- strengthened the perceived necessity for vocational education. (Lazers a and Grubb 1974: 22)
Most educators assumed that the dropout problem was not due to the economic necessity of youths working, but to the irrelevance of conventional education to the future economic needs of most youth. Businessmen, on the other hand, had long argued that industrial values should dominate American education and that the schools should serve the narrow vocational requirements of the industrial economy. To bolster this argument, the National Association of Manufacturers pointed to the rise of Germany as a world power and international competitor, suggesting that the German system of vocational training was the cause of that country's growth. Thus the solution to these problems required a vocational curriculum specifically directed at future employment, which would keep youths in school because of its relevance to their futures (Lazerson and Grubb 1974: 18-23).

The effect of these changes in education was to reject the idea of the common school and redefine the idea of equality in educational opportunity, giving each student "the right to...education commensurate with his abilities and occupational future." (Lazerson and Grubb 1974: 25) This was not without opposition from organized labor:

The A.F. of L. supported both full-time and part-time industrial education for those past the age of fourteen, but its emphasis was always on assuring that labor would have enough control to counteract the threat of business domination. It sought public rather than private sponsorship of vocational training, the participation of labor in all decisionmaking, and above all, the avoidance of extreme specialization. It thus hoped to avoid training for obsolete jobs and prevent the business community's desires for skilled and efficient labor from being met at the expense of worker benefits. (Lazerson and Grubb 1974: 21)

In effect, organized labor sought not only to avoid making vocational education a mechanism of social class stratification offering second-class education, but also to avoid flooding narrowly skilled labor markets with workers poorly trained for alternative work.
The initial battles over the principles of vocational education were fought in the state and local arena, and by 1917 virtually the same coalition that supported federal child labor reforms joined with a coalition of business groups to sponsor the Smith-Hughes Act providing federal aid to vocational education. Easily approved as part of President Wilson's campaign to prepare for entry into WWI, this legislation provided dollar for dollar matching grants to states as an incentive to get them to develop their own vocational training programs. This incentive proved successful, as many states spent over the minimum amount, but the influence of business on the scope of the federal legislation was not insignificant. The Smith-Hughes Act mandated a narrow concept of vocational education, requiring that "instruction, to be effective, must be very specific and narrowly related to the occupational skills it seeks to develop." (Lazerson and Grubb 1974: 29-30)

By 1922 there was still no federal legislation that would effectively limit child labor. Some states had loosened their child labor laws following the Supreme Court's rejection of the federal laws passed in 1916 and 1919; only 13 states had laws that measured up to the standards set by these earlier federal statutes (Trattner 1970: 165). With unemployment rising in the depths of the postwar recession, the pressure to limit the excess supply of labor led not only to efforts to control immigration, but also once again to regulate child labor (Easterlin 1968: 13, 56).

Organized by the A.F. of L., the drive to amend the Constitution to permit federal regulation of child labor was launched by a coalition that is still largely recognizable today. Included were the National Education Association, the National Federation of Teachers, the National League of Women Voters, the YWCA, the American Association of University Women, the National Council of Jewish Women, the National Catholic Welfare Council, the National Consumers League, and many others (Trattner 1970: 163-64).
The amendment was easily adopted by Congress and enjoyed the political support of all three major parties and their respective presidential candidates in 1924. However, it was the Democrats who had first actively committed their political muscle to this issue in 1916 and who stated in their 1924 party platform that "without the votes of Democratic members of the Congress the Child Labor Amendment would not have been submitted for ratification." (Trattner 1970: 282) This marked the real beginning of the party's sense of affiliation with the "reform coalition."

Much of the counterforce to the child labor amendment came from N.A.M. -- who made the amendment's defeat its major issue in 1924 -- and groups such as the American Farm Bureau Federation, the Farmer's States Rights League, the Sentinels of the Republic (a women's organization opposed to women's suffrage, federal aid to education and child labor), and the Woman Patriot (formerly the organ for the Anti-Suffrage Association, devoted to "the defense of the family and the state against feminism and socialism"). (Trattner 1970: 167) With the support of the hierarchy of the Roman Catholic Church, who, along with some Lutherans, were concerned about federal control of education and the abolition of parochial schools, opponents to the amendment dealt it a severe blow by defeating it 3 to 1 in Massachusetts and then tabling it in New York (Trattner 1970: 164-78).

As the economic boom period of the mid-1920s lowered unemployment, the child labor amendment was not heard of again until the following decade. No real federal legislation providing effective regulation of child labor was intact, but an effective reduction in the proportion of youths working and an increase in the proportion of youths in school had been achieved through sporadic state statutes and the economic conditions of the labor market. Of these two factors, it appears that the latter was most important not only in encouraging the growing excess supply of unskilled youths to attend or remain
in school, but also in creating the economic and political environment ripe for building a lasting coalition of groups concerned with young people's access to the labor market. The basic coalition was in place. It had had its effect on state laws, and it had gained valuable practice in seeking to influence federal legislation, but it would not achieve permanent success until the New Deal.

However, neither permanent success nor perfect political harmony came easily to this coalition in the New Deal. The most vigorous opposition to FDR's CCC proposal came from organized labor. Several European countries, Germany among them, had already instituted similar conservation programs with a quasi-military design, and concern about the Army's role in setting up CCC camps and requiring a one year enlistment was very strong. William Green, then President of the A.F. of L., declared the proposal "smacked of fascism, of Hitlerism, of a form of Sovietism..." which would subject labor to military regimentation (Salmond 1967: 17). Of equal concern was the fact that the one-dollar-a-day proposal was one third of the going wage rate for foresters, as Green testified before the Senate:

> As soon as this bill is passed by the Congress of the United States, it will go down in history as a Congress that has established a dollar a day wage for the payment of labor on the public domain...The masses will lose sight of the relief feature, but they will remember this Congress determined that a dollar a day was the pay that should be given to men working in the forests...of the richest, most powerful nation under the sun. (Salmond 1967: 17-18)

This opposition was not without important effects. Although the bill as it was passed by Congress had very few constraints on the scope, provisions, and administration of the CCC program, the regulations issued by the Labor Department introduced a significant element of targeting into the jobs provided by the CCC -- significant enough to satisfy the wage concerns of organized labor and elicit its reluctant endorsement (Salmond 1967: 19-23).
The NYA program was more strongly supported by organized labor, primarily out of parochial interest. Paul Osterman has collected a most illustrative series of excerpts from union testimony in favor of the program:

A large number of unemployed youth without any means of support and consequently ready to work for any wage, no matter small, constitutes a serious danger to our union standards. (ILGWU)

[Youth are used] as a bludgeon to defeat those things which the trade union movement has fought for many years. (Textile Workers)

As far as we are concerned, it is our object to keep youth off the sea until they are old enough, and anything that will keep them in school...has our support. (Maritime Union)

With millions of unemployed youth available for industrial exploitation today they represent a constant threat to the employed worker. (Electrical Workers) (Osterman 1980: 70)

Union support was nonetheless contingent upon assurances that the education and training that youths received in the NYA did not threaten established apprenticeship systems, as the Federal Security Agency pointed out:

The building trades were fearful that NYA by constructing buildings at the low wages paid NYA youth would flood the labor market with youth claiming skills as a result of NYA work project employment...thus aggravating unemployment among skilled workers and contributing to lower wage scales. (Kesselman 1978: 207)

Although the CCC and NYA programs were responsible for absorbing roughly 4 percent of the youth labor force, the perceived effectiveness of these programs at the time was probably measured more in moral and political terms than in numerical terms, as the work project standards for the NYA stated:

The student must feel that he is performing a real job; "make work" must be avoided....The giving of an honest dollar's worth of work for a dollar received is one of the chief bases of the integrity of the student work program. (Kesselman 1978: 205)
Clearly these programs made significant, concrete contributions. The benefits of the CCC were not only evident in its efforts to conserve natural resources, but also in the economic stimulus each camp provided to neighboring communities. These benefits, along with the opportunities that they provided for patronage, were not overlooked by politicians from FDR (who used special CCC eligibility to mollify WWI veterans where his predecessor had unceremoniously run them out of town) down to the congressmen who refused to cut back the funds for the program when FDR tried to balance the federal budget by eliminating it (Salmond 1967: 221, 67-70).

Programs such as the NYA also provided fertile ground for groups wishing to champion the cause of vocational education as well as compulsory education. However, most of the NYA activities were conducted outside of the regular public school system and facilitated the development of a vocal lobby on the part of vocational educators themselves. FDR's complaints about this lobby in 1938 underscore this development:

"Much of the apparent demand for the immediate extension of the vocational education program under the George-Dean Act appears to have been stimulated by an active lobby of vocational teachers, supervisors and administrative officers in the field of vocational education, who are interested in the enrollments paid in part in Federal funds." (Osterman 1980: 68)

Yet even though the dissatisfaction and controversy over the performance of vocational education at the time of the enactment of the George-Dean Act of 1936 produced a presidential commission which called in 1938 for a loosening of the focus and definition of vocational training, there was no effort to implement these recommendations until after WWII (Lazerson and Grubb 1974: 43-48).

The political genesis of the NIRA, and later the FLSA, was not solely the result of the economic conditions of the 1930s depression; it was also the outgrowth of the early twentieth century child labor reform movement and the conditions which spawned that effort. Child labor reformers had long recognized
the relationship between child labor and low wages (Trattner 1970: 190). Minimum wage laws for women and children first appeared in Massachusetts in 1912, the same year the Theodore Roosevelt's Progressive party platform called for national minimum wages, as well as minimum ages for employment. By 1923, 16 states had similar laws, but a Supreme Court ruling invalidated most of these laws at that time. Thus, by 1933 the political pressure for minimum wage and age laws had reached a new intensity (Min. Wage Study Comm. 1981: 2).

The economic rationale presented for the NIRA and the FLSA clearly illustrates the confluence of political interests necessary for the eventual enactment of permanent laws for federal intervention in the youth labor market. Designed to reduce child labor and "cutthroat competition" and to guarantee labor a reasonable workweek and a decent wage, the underlying economic rationale for the NIRA was to boost worker's purchasing power and thereby stimulate aggregate demand (Trattner 1970: 190). As FDR stated:

"The aim of this whole effort is to restore our rich domestic market by raising its vast consuming capacity." (Min. Wage Study Comm. 1981: 2)

Thus the NIRA limited child labor via age, wage, and hours laws as part of the New Deal's thrust toward demand management macroeconomic policies. In this sense, the NIRA was just as much a program to bolster family incomes to create a broader based middle class, with more purchasing power and a congruent broad base of political appeal, as it was an effort to reform the abuses of child labor.

The rising tide of the NIRA's political popularity was only temporarily diminished by the Supreme Court's declaration of unconstitutionality. In 1937, FDR modified the labor provisions of the NIRA and introduced them as the FLSA. At that time, FDR was becoming increasingly concerned with balancing
the federal budget, and this popular measure gave him a nonbudgetary means of stimulating the economy. (Although it is not clear that regulations such as the FLSA actually provided the expected economic stimulus, it is clear that this was at least part of the original intent.) As a result, the FLSA enjoyed easy passage in Congress following the bellwether senatorial primary of Claude Pepper in conservative Florida (Min. Wage Study Comm. 1981: 2-3). The passage of the FLSA in 1938 followed on the heels of a major reversal of the Supreme Court's interpretation of the interstate commerce clause, a change in judicial policy arising at least in part out of economic and political (i.e., court-packing threats) necessity:

The Great Depression conclusively established for many Americans the interdependence of economic factors and the mutability of traditional economic relationships. Until 1937, however, a majority of the Court stood by the formal distinctions drawn by its traditional doctrines, holding in the process that the commerce clause did not authorize several important pieces of New Deal legislation. But with its watershed decision in NLRB v. Jones & Laughlin Steel Corp., the Court acceded to political pressure and to its own sense of its doctrine's irrelevance and manipulability, abandoning the formally analytical approach to the commerce clause.... (Tribe 1978: 235)

The constitutionality and permanence of federal intervention in the youth labor market was assured, and the political coalition of organized labor, educators, reform activists, and the Democratic party was consummated, giving birth to a framework of law and policy that undergirded the incomes of adult workers and the expansion of the middle classes.

This framework was extended immediately after WWII by the GI Bill of Rights, which educationally enfranchised an entire generation of young who might otherwise not have had the opportunity to pursue vocational or higher education. The Korean War kept the economy growing at a relatively strong rate, lowering both adult and teenage unemployment and easing the pressure for any additional federal intervention. Following this conflict, the sluggish growth in the economy raised the unemployment rates of both groups somewhat,
although this effect was mitigated by the slow rate of labor force growth.

In 1961, President Kennedy took office with the pledge to "get America moving again." The political pressure for economic stimulus came largely from the high total unemployment that had persisted since the 1957-58 recession. The MDTA, enacted in 1962, was aimed at an adult constituency -- family heads displaced from established jobs by technological and economic change -- but when the Kennedy tax cuts began to take effect shortly after the MDTA was enacted, the adult unemployment rate began to fall. This economic circumstance, combined with the growing pressure of the baby boom generation on the nation's public high school system and the political necessity for the Kennedy Administration to follow through on its high-profile programs (some of which, like the Job Corps and the NYC, looked like a political chapter out of the early FDR Administration -- at least in style if not substance), resulted in a quick redefinition of the purpose of the MDTA.

This redefinition of the MDTA as a program focusing largely on helping disadvantaged youth not only salvaged a political image, but also ensured the bureaucratic survival of "manpower" programs throughout the decade. In addition, it also provided a means of responding to the concerns of the advocates of a more flexible approach to vocational education, without antagonizing the more traditional proponents of vocational education who were concerned with the enactment of the Vocational Education Act of 1963. Hence, the refocus of federal youth employment policy on disadvantaged youth was born almost as a stepchild of the "reform coalition" more commonly known as the New Deal coalition.

This is not to say that the economic and moral rationale of the MDTA, the Job Corps and the NYC was not without merit, but rather that the political circumstances at the time, arising in part out of economic conditions, gave greater weight to this rationale. The argument of economic efficiency in
assisting disadvantaged youth to become productive members of society fit very closely with the rhetoric of the child labor reform movement, which in its more sophisticated stages had argued that its primary intent was to remove the youngest children from the labor market to educationally and physically enable them to avoid dead-end careers and repressive economic circumstance. However, as evidenced in this case as well as in the New Deal, the forces of rhetoric and reason are sometimes more powerful when economic conditions work to add political saliency to their message.

While high youth unemployment and a bureaucratic mandate contributed to the political appeal of the early 1960s "manpower" programs, the urban riots of the later 1960s contributed to their rapid growth. Seen as a measure for "keeping the kids off the street," large scale summer NYC programs that had little, if any, training value received widespread political support. This circumstance contributed to the continued laxness in efforts to coordinate vocational education policy and programs with federal youth employment programs outside of the limited scope of the Job Corps.

In the meantime, the coalition that had grown out of the effort to protect adult wage earners against the wage and employment competition of younger workers was under fire. Educational institutions were strained by the baby boom bulge, especially with more and more young people seeking a college degree as a means of avoiding or postponing the wartime draft. As the baby boom swelled the supply of young workers and the proportion of total employment going to youth rose, the proportion of nonfarm employment belonging to organized unions fell from over 35 percent in 1945 to roughly 28 percent in the late 1960s (Mitchell 1980: 24). Even with educational institutions absorbing as many youth as possible and the beneficial effects of the Vietnam draft on the youth unemployment rate, the political pressures to limit the youthful influx into the labor market grew. As Michael Wachter describes this transition:
This country...did not have an operational minimum wage policy between 1947 and 1967. Minimum wages were set at a constant ratio to wages paid elsewhere in the economy. The major industries which hired numerous workers at low wages could obtain an exemption from the minimum wage laws by arguing before Congress that if they were forced to pay the minimum wage, significant unemployment would result. The outcome was a policy that exempted most of those workers and industries which might have been affected.

By 1967, the influx of young workers threatened the employment and relative wage status of the older workers in the low-paying secondary markets. Congress responded by extending minimum wage coverage to those labor markets. The minimum wage coverage in 1967 jumped from 39.9 percent to 53.4 percent of civilian employment, and that jump largely extended coverage to low-wage workers. There had been some minor increases in coverage before 1967, but increases in the coverage rate only have an impact when they affect the workers who are actually earning the minimum wage. Throughout the postwar period, the most significant change in minimum wage coverage was the increase in 1967. (Wachter 1980: 45)

Although Wachter goes on to suggest that this increase in minimum wages at the time of the baby boom's entrance into the labor market was the central factor contributing to the jump in the relative level of youth unemployment, this increase did not come until the onset of the 1969-70 recession. And with the advent of this economic downturn, adult unemployment also took a sharp rise and the widespread political appeal of a straightforward public jobs creation program for all workers returned for the first time since the New Deal.

The PEP program of 1971-73 was a component of the Nixon Administration's successful efforts to revitalize the economy prior to the 1972 election. But with this objective achieved, the criticism of such untargeted efforts to aid unfortunate workers escalated as the "science" of public policy analysis became increasingly sophisticated. In this environment, the landmark CETA legislation in 1973 was not so much the product of the old "reform" or New Deal coalition as it was an offshoot from the Nixon Administration's "New Federalism" proposals which were premised upon the superior abilities of state and local governments in determining the most effective use of federal funds.
However, in granting proprietorship over federal employment and training dollars to state and local officials, the federal government gave little or no incentive to local leaders to alter the established institutional patterns for delivering these services. As the 1974-75 recession developed, the local leaders (who so recently had had their wisdom affirmed) made their priorities and concerns known. Jobs were needed to maintain local services in the face of declining local revenues and to bolster local economies. This was not a youth-related phenomenon nor was it the response to a temporary economic fluctuation, but rather it was an effort by many local governments to ease the fiscal burdens created by the flight of factories and businesses from central cities and northern climates to suburban and southern regions.

This structural trend contributed to the high unemployment rate of the 1974-75 recession, which in turn generated sufficient demand for reestablishing a countercyclical PSF program in 1974. As Mirengoff et al. describe this transition:

When the Comprehensive Employment and Training Act was under consideration in late 1973, the unemployment rate had subsided to less than 5 percent and the authorization for PEP had expired. The proposed inclusion of a public service employment title caused more controversy than any other issue during the drafting of CETA. As finally enacted, the legislation retained a modest public service employment program (Title II), but only for areas of substantial unemployment, and its emphasis was on the creation of temporary jobs leading to unsubsidized employment.

A year later, with unemployment above 8 percent, Congress added a universal 1-year countercyclical public service employment program (Title IV) to CETA. The nation's manpower policy now addressed both the structural and cyclical problems of the labor market. (Mirengoff et al. 1980: 3)

Prior to the enactment of CETA Title VI, the Nixon-Ford Administration had proposed a smaller overall federal budget for employment and training programs consistent with the larger-role-and-greater-efficiency-of-state-and-local-governments rationale of the New Federalism block grants proposals (Blechman et al. 1974: 39-40). Yet the force of economic developments reversed
the Republican Administration's policy of reduced federal intervention in the labor market, strengthening the inclusion of urban governments in the coalition of educators, organized labor and the Democratic Party.

The return of this coalition to the White House in 1977 was immediately followed by a rapid expansion of Title VI PSE enrollments. While this countercyclical policy was directed largely toward adult unemployment, youth unemployment during the recession had reached nearly 20 percent -- its highest level and rate since the early 1940s -- and it was no longer politically or economically feasible to characterize the "youth unemployment problem" in terms of the employment and wage "threat" that youths posed for adult workers. With the large influx of baby boom youth into the labor market, roughly one out of every four unemployed persons during the recession was a teenager, compared to only one out of seven in 1950. Some of these youth -- those under age 18 -- were barred from many adult jobs by virtue of child labor laws, while others were limited by their ability, relative to adults, to provide productive services worthy of the minimum wage; all of these youth suffered from the competitive effects of a large and relatively unskilled cohort group entering the labor market. Hence, the "youth unemployment problem" emerged in the late 1970s as a politically sensitive issue apart from countercyclical policy. This sensitivity was heightened by the fact that the political coalition in power was rhetorically committed to addressing this problem via federal intervention.

Up to this point, federal youth employment policy had consisted largely of some combination of "exclusion" (via child labor laws and minimum wages) and "enclosure" (via compulsory schooling, vocational education, and federal employment programs) under a rubric of economic efficiency, whereby youths would theoretically improve their employability and productivity by staying out of the labor market and receiving additional training and education.
before going to work. However, confronted with the magnitude of the youth unemployment problem — which itself seemed to imply an ineffectiveness in this approach — and the parochial interests of urban governments, organize labor, and the education and vocational education establishment, the tender issue of the effectiveness of federal youth employment policy was addressed in terms of social experimentation, i.e., a more systematic evaluation of several different approaches to the problem.

From this political and economic environment came the Youth Employment Demonstration Projects Act of 1977. And as more voices from outside the "urban-education-labor-Democrat" coalition joined the debate over the effectiveness of federal youth employment policy, the Private Sector Opportunities Program was added to CETA in 1978. The drive for increased involvement of the private sector in developing youth employment programs was not unrelated to the countercyclical efforts to lower overall unemployment. Over the initial opposition of the new administration, Senator Lloyd Bentsen and other more conservative members of Congress had enacted the New Jobs Tax Credit Program in 1977, and from this experience came the Targeted Jobs Tax Credit program in 1978 (JEC Hearing 1979: 61-112). These tax credit programs were generally applauded by business groups relying heavily on young workers because the essential feature of these programs was to subsidize their labor costs. Politically, this approach had the rhetorical appeal of creating private sector jobs without a direct expenditure of public funds (although the tax revenue loss had been one of the initial stumbling blocks for the program). In administrative terms, the tax credit approach was theoretically very efficient in targeting employment assistance to those in need, without a public bureaucracy. The unifying economic rationale of the program was that the wage subsidies to business would be used to offset or lower the costs of providing necessary on-the-job training to the youth and disadvantaged workers hired,
Thus making them more attractive to employers.

Just as the economic circumstances of recession gave political saliency to the demands for job creation programs, so did one of the longest post-WWII recovery periods lend political strength to the rhetoric favoring "no-cost-private-sector job creation." As adult unemployment fell during the later 1970s, Title VI PSE funding also dropped accordingly. This was not significant in and of itself, but in 1980, when adult unemployment began to climb as the economy grew sluggish, the strength of the anti-PSE and balanced budget rhetoric kept PSE funding on the decline.

The effect of this rhetoric on federal youth employment programs was similar. Since the youth unemployment problem was still a politically sensitive issue requiring redress, the advocates of a private sector approach to federal policy expanded the scope of their proposals to include additional tax subsidy programs such as "enterprise zones," and direct measures to lower the minimum wage for youth.

Faced with these proposed private sector solutions advocated by conservative Democrats and Republicans on the one hand, and trying to stave off a liberal, pro-public job creation Presidential primary challenge on the other hand, President Carter crafted a somewhat scaled-down, consolidated Youth Initiative (drawn from the social experiment programs) that concentrated much of its funding on public programs to keep youth in school and provide more training and school to work transition assistance. The politics of this proposal bore similarities to the efforts of President Wilson's 1916 endorsement of a federal child labor law: a southern Democratic President using a "federal solution" to youth employment problems to keep the Progressives in line while seeking a second term. However, although the education and vocational education establishment was appreciative enough of this Initiative to assure Carter's party nomination, the force of the "path
not taken" argument -- of "no-cost-private-sector" alternatives -- proved to be greater in a time of high unemployment, high inflation, and the seeming ineffectiveness of federal intervention. As a result, the urban-education-labor-Democratic coalition, whose roots were forged in the early twentieth century, were temporarily splintered, with organized labor frustrated by the reluctance of the President to support large scale job creation and thus opting for a different policy path. In the lame-duck session of Congress following the presidential election, the conservative coalition soon to take control of the Senate effectively blocked the Youth Initiative by requiring agreement to a subminimum youth wage proposal as a precondition for consideration of the Initiative on the Senate floor.

Once in power, the new conservative-Republican coalition found that its policy proposals concerning youth employment were running against the political flow of economic events. The economy of the early 1980s slumped badly with restrictive monetary policies, and the resulting unemployment -- over 10 percent, a post-Depression high, and teenage unemployment at 25 percent, equal to the Depression peak -- along with dramatic budget reductions in employment and training and education programs healed much of the split in the Democratic coalition. Efforts by the Republicans to introduce a subminimum wage, to roll back child labor laws, and to enact "enterprise zones" met with little success in such a slack labor market. Nonetheless, CETA was substantially scaled down and reauthorized as the Job Training Partnership Act in 1982, providing for significant increases in state government and private business involvement in planning local training programs. Efforts on the part of Democrats in Congress to establish a major job creation program were blocked by the Republican controlled Senate. Clearly, the present era of sluggish economic growth and budget austerity has intensified the debate and broadened the range of options being considered, but it has yet to yield a
dramatic new federal policy response to the youth unemployment problem.

In summary, the primary political factor motivating federal intervention in the youth labor market appears to have been the desire to protect and bolster adult jobs and incomes. These objectives have dovetailed well with the interests of education and vocational education institutions, and more recently with those of urban governments. As a result, federal policy initiatives concerning youth employment have been closely tied to changes in the relative supply and demand for unskilled adult labor. Generally and in a purely political context, the federal policy initiatives sponsored by the Democratic Party have been those favoring federal intervention to shore up loose labor markets, while Republican and pro-business policies have tended to reduce federal intervention and loosen labor market restrictions. However, neither of these parties have been very successful in enacting their policies without the force of economic events to bolster the political appeal of their rhetoric.
Federal Youth Employment Policy: Working at Cross-Purposes?

To answer this question in any way but the affirmative requires a substantial amount of humility. Clearly there are many instances where federal policies toward youth employment appear to conflict. One example might be the very large increase in federally funded NYC summer youth employment programs during the late 1960s at a time when the federal government was also raising the minimum wage barriers to youth employment by the greatest magnitude since 1947. However, as numerous as these individual examples might be over the course of federal involvement in the youth labor market, the conclusion presented here modestly suggests that the general flow of federal policies affecting youth employment has been relatively consistent in the framework it has followed.

This is not to say that federal policy has been all that effective in its stated objectives, or that it has progressed in an even manner. Rather, the suggestion here is that federal youth employment policy has advanced sporadically through the impetus of economic and political events, following a roughly consistent and rational policy path.

Exclusion: Limiting Youth Access to Adult Labor Markets

The idea of excluding youth from the labor market might at first run counter to modern political thought, but it was at the heart of the child labor reform movement and many New Deal programs and it continues to persist today.

Child labor laws were explicit in this objective, simply banning or limiting the employment of children below certain ages in certain industries. These laws have not changed much since the FLSA was passed in 1938, and they have only been strengthened, not weakened. Generally, these laws are widely
supported and any attempts to weaken them have evoked strong emotional reactions.

When the Reagan Administration recently proposed to roll back some of these restrictions, Robert Harbrant, president of the AFL-CIO’s Food and Beverage Trades Department responded:

At a time when there are 11 million unemployed in this country and unemployment among blacks is 18.5 percent, the Labor Department wants to extend the problem even more by expanding a kiddie work force. (Seattle Times 1982: A6)

The proposals were defended by Labor Department Secretary Raymond Donovan:

These changes are designed to increase job opportunities and to make it easier for employers to understand and comply with our rules. (Seattle Times 1982: A6)

But many employers were hesitant to endorse the proposal. As one fast food restaurant operator testified before a congressional committee:

The 14 or 15 year old child rightfully should give his first priority to his educational development, as well as the demands of his family.... Rarely is the 14 or 15 year old ready for this learning experience, or capable of performing it with profit to himself or to his employer. At present, there are more than enough 16 and 17 year olds who are in need of employment. Their needs are not being met. To increase the competition by adding 14 and 15 year olds to this market is shortsighted. I doubt that many conscientious employers will be interested. (Miller PR 1982)

The proposed rules were widely denounced by labor, teachers, parents and child development groups. The public response was summed up by Congressman George Miller, Chairman of the Subcommittee on Labor Standards:

These proposals are totally contrary to the education, health and family needs of these children. If the Administration is truly interested in increasing job opportunities for Americans, I suggest that they look to the hiring halls and the unemployment office, not to the playgrounds and classrooms of this nation. (Miller PR 1982)
This attitude toward the labor force participation of persons under age 16 seems firmly established in federal policy. However, attitudes and federal policy toward the labor force participation of youths ages 16-19 is somewhat more ambiguous. Youths ages 16-17 are still subject to some child labor law constraints, and many, though not all, teenagers are covered by minimum wage laws, another form of federal restriction on labor market behavior.

Trends in federal minimum wage policy for teenagers since 1954 are reflected in Table 1. As can be seen from column 1, the hourly minimum wage has grown steadily, though the level of this minimum relative to average wages (column 4) has not followed any particular trend. More interestingly, the coverage of the minimum wage for teenagers (column 3) has followed a regularly increasing path, nearly doubling between 1954 and 1979. The combined effect of changes in the relative minimum wage and the coverage of teenage employment by the minimum wage can be seen in column 2, which provides a minimum wage index for teenage employment. Clearly, if minimum wages have an effect on teenage employment, these effects have grown over time.

In analyzing the effects of minimum wages on teenage employment, the Minimum Wage Study Commission recently estimated that a 10 percent increase in the minimum wage would lower teenage employment by roughly one percent, or about 75,000 (Min. Wage Study Comm. 1981: 38). Similarly, the Commission also suggested that increases in minimum wage coverage for teenagers would also reduce their employment, but by a substantially smaller magnitude (Min. Wage Study Comm. 1981: 39). However, these estimates hold only for small changes in the minimum wage, the effects of large changes would be difficult if not impossible to estimate.
### TABLE 1
Selected Minimum Wage and Related Time Series

<table>
<thead>
<tr>
<th>Year</th>
<th>Yearly Average Minimum Wage</th>
<th>Minimum Wage Index</th>
<th>Coverage Ratio</th>
<th>Relative Minimum Wage</th>
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<tr>
<td>1964</td>
<td>0.70</td>
<td>0.107</td>
<td>0.625</td>
<td>0.641</td>
</tr>
<tr>
<td>1965</td>
<td>0.75</td>
<td>0.101</td>
<td>0.627</td>
<td>0.625</td>
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<td>1966</td>
<td>0.65</td>
<td>0.116</td>
<td>0.610</td>
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</tr>
<tr>
<td>1967</td>
<td>1.00</td>
<td>0.126</td>
<td>0.605</td>
<td>0.516</td>
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<tr>
<td>1968</td>
<td>1.00</td>
<td>0.126</td>
<td>0.605</td>
<td>0.516</td>
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<tr>
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<td>1.00</td>
<td>0.136</td>
<td>0.605</td>
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<tr>
<td>1970</td>
<td>1.00</td>
<td>0.146</td>
<td>0.605</td>
<td>0.516</td>
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<tr>
<td>1971</td>
<td>1.05</td>
<td>0.152</td>
<td>0.605</td>
<td>0.516</td>
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<tr>
<td>1972</td>
<td>1.15</td>
<td>0.163</td>
<td>0.599</td>
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<tr>
<td>1973</td>
<td>1.20</td>
<td>0.172</td>
<td>0.599</td>
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<td>0.182</td>
<td>0.599</td>
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<tr>
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<td>0.192</td>
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<td>0.207</td>
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<td>0.217</td>
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<tr>
<td>1979</td>
<td>1.30</td>
<td>0.225</td>
<td>0.599</td>
<td>0.512</td>
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</table>

1. The basic minimum wage was computed as an annual average of the monthly wage of the actual minimum wage.
2. The minimum wage index is the weighted sum of the ratio of the minimum to the average wage in each industry, with the weights reflecting the extent of FLSA coverage and the share of teenage employment in each industry.
3. The coverage ratio is defined as the proportion of non-agricultural workers in each industry subject to the minimum wage, weighted by the share of teenage employment.
4. The relative minimum wage was calculated by dividing the minimum wage index by the coverage ratio.

The effects of changes in the minimum wage on adults are not clear; several studies have suggested that these effects, if they exist, are statistically insignificant for prime aged adults (Min. Wage Study Comm. 1981: 44). Estimates of the effects of lowering the minimum wage for youth (i.e., creating a youth subminimum wage) suggest that for every 10 youths that might find employment, between one and three adults might lose their jobs (Min. Wage Study Comm. 1981: 47).

What becomes clear from this analysis is that minimum wages tend to reduce youth employment, and to some degree protect adult employment. Other espoused effects of the minimum wage, such as its usefulness in bolstering adult earnings have also been confirmed by the Commission, although they note that the minimum wage is a relatively inefficient means of providing income redistribution (Min. Wage Study Comm. 1981: 85-103).

Translating the exclusionary effects of minimum wages from teenage employment to labor force participation behavior is somewhat difficult. Some youth enter the labor market only if and when they have a job, while others may enter the labor force and search for a job for some time, or lose a job and continue to look for one. Increases in the minimum wage may tend to lower marginal job opportunities for teens on one hand, but raise the economic incentives of finding one on the other. Thus, higher minimum wages or increased minimum wage coverage may have little effect on teenage rates of labor force participation.

The impact of "exclusionary" federal policies on youth employment, such as the child labor laws and minimum wages, cannot be presented in a very clear picture in terms of the labor force participation of youth. Certainly the effects of excluding those under age 14 from the workplace can be seen in the labor force participation rates presented in Table 2. However, the effects of minimum wages on teenage labor force participation are not nearly as evident.
TABLE 2

CIVILIAN LABOR FORCE PARTICIPATION RATES

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<tbody>
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<tr>
<td>10-13</td>
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<td>9.2</td>
<td>5.9</td>
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<tr>
<td>14-24</td>
<td>74.9</td>
<td>72.3</td>
<td>70.1</td>
<td>62.3</td>
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<td>63.0</td>
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<td>20-24</td>
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<td>87.7</td>
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<tr>
<td>Females:</td>
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<td>10-13</td>
<td>6.1</td>
<td>3.9</td>
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<tr>
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<td>31.5</td>
<td>32.9</td>
<td>31.5</td>
<td>30.5</td>
<td>32.3</td>
<td>--</td>
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<tr>
<td>Current Population Survey Data:**</td>
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<tr>
<td>16-19</td>
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<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>41.0</td>
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<tr>
<td>20-24</td>
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<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>46.0</td>
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</table>

Sources:  
**Unpublished Current Population Survey Data obtained from the U.S. Bureau of the Census. The 16-19 data is available from various published sources.

For female teenagers, the rise in minimum wages and their increasing coverage may have provided a greater incentive to enter the labor force, as their rates have shown an increasing trend since 1940. For male teenagers, labor force participation rates have fallen somewhat since 1950, although this trend is almost solely a reflection of the declining labor force participation of young black males -- suggesting that if the exclusionary effects exist, they tend to be greater among black male teenagers (Min. Wage Study Comm. 1981: 42). (Yet, before anyone suggests that the minimum wage is a form of racial discrimination,
it should be understood that a disproportionate number of the adult jobs protected by the minimum wage may be held by blacks, and if so, this group may also receive a disproportionate share of the redistributive benefits.)

In any case, much of the labor force participation of youths depends on the attractiveness of the alternatives to employment. For this reason, we turn our attention to the other major focus of federal youth employment policy.

**Enclosure: Keeping Youth "Busy" Outside the Adult Labor Market**

Aside from excluding youth from the labor market as a means of protecting adult jobs and wages, federal policy has also encouraged the "enclosure" of youth in schools and federal employment programs that do not compete with the products of adult employment. Since the time of the Puritans who settled New England, industriousness has been a virtue and idleness an evil. As a colonial court decreed in 1640:

> And it is desired & will be expected that all masters of families should see that their children & servants should be industriously implied, so as the mornings & evenings & other seasons may not be lost, as formerly they have been; (& if it be so continued will certainly bring us to poverty;) but that the honest & profitable customs of England may be practised amongst us so as all hands may be implied.... (Ensign 1921: 20)

Although the federal government has never directly required compulsory schooling, nearly all states do, and they have been encouraged to do so through the indirect influence of federal assistance. Much of this assistance has come in terms of equipping schools to provide "vocational training" to those students who are not academically inclined. The development of "vocationalism" in public school systems thus permitted states to require school attendance by young people who otherwise would not have attended, and at the same time thus absolved public school systems from the responsibility of equipping these "new" students with comparable academic skills.
Aided by the growing excess supply of unskilled labor in the early twentieth century, and the poor prospects for youth employment in the 1930s, the compulsory education movement had dramatic effects on the proportion of 17 year old youths graduating from high school, as can be seen in Table 3. The enclosure effects of compulsory education can be seen as an additional factor in the decline of the labor force participation of young people ages 14-24 during at least the first half of this century.

Some federal employment programs, such as the NYA and more recently the Youth Incentive Entitlement Projects, have provided or subsidized part-time employment for teenagers to encourage them to stay in school. Most (if not all) the jobs provided by these programs are not in competition with public or private adult employment, and hence these youth are "voluntarily enclosed" in programs outside the mainstream of the low-skilled adult labor market. Other fulltime or summer employment programs, such as the CCC and the summer NYC, have simply provided a means for the voluntary enclosure of youth in work related activities outside the adult labor market, thus limiting wage and job competition with adults.

The use of "voluntary enclosure" programs as a means of federal response to substantial excess supplies of youth and unskilled adult labor began in the 1930s, when the NYA and the CCC programs "enclosed" roughly 4 percent of the 16-25 year old labor force, lowering youth unemployment from about 20 percent to about 16 percent (WPA 1939: 25). Although it would appear that this type of policy went unused to any great degree during the following three decades, it must be remembered that both the peacetime and the wartime drafts absorbed a relatively large proportion of youth involuntarily into the military services during this period. By the time the draft was ended in the mid-1970s, the baby boom generation was entering the labor market in large numbers and the NYC summer youth employment program, later incorporated
### TABLE 3

Selected Educational Statistics for the United States

1900-1950

<table>
<thead>
<tr>
<th></th>
<th>1900</th>
<th>1910</th>
<th>1920</th>
<th>1930</th>
<th>1940</th>
<th>1950</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enrollment rates of persons aged 5-19, in percentage (a)</td>
<td>72</td>
<td>74</td>
<td>78</td>
<td>82</td>
<td>84</td>
<td>83</td>
</tr>
<tr>
<td>Percentage of enrolled pupils attending daily (a)</td>
<td>69</td>
<td>72</td>
<td>75</td>
<td>83</td>
<td>87</td>
<td>89</td>
</tr>
<tr>
<td>Percentage of total enrollment in high schools (a)</td>
<td>3</td>
<td>5</td>
<td>10</td>
<td>17</td>
<td>26</td>
<td>23</td>
</tr>
<tr>
<td>High School graduates as percentage of population 17 years old (b)</td>
<td>6</td>
<td>9</td>
<td>17</td>
<td>29</td>
<td>51</td>
<td>59</td>
</tr>
</tbody>
</table>

into CETA, was employing roughly three quarters to one million youth each year. Total CETA programs for youth under age 22 served about one and a half million in the mid-1970s, and by 1979, an estimated 2.4 million youth participated in federal job creation or employment and training programs (CBO 1980: 15). Assuming that the average tenure of youth in these programs is 8 to 15 weeks, a conservative estimate of the federal government's "enclosure" intervention in the youth labor market at the end of the last decade would fall in the range of 2 to 5 percent of the youth labor force under age 22. Teenage unemployment at the time stood at about 16-17 percent, suggesting that without federal unemployment programs, it might have been several percentage points higher.

The federal policies of the early 1980s have reversed this intervention and with the help of a lengthy downturn of economic activity the result has been an increase in teenage unemployment to 25 percent. It is also important to note, however, that other policy changes have affected the youth labor market. In particular, federal subsidies for higher education, which could also be considered a form of encouragement to youth of college age to delay their labor force entry, have been substantially reduced during this period. As a result, many youths who might have continued their education during earlier times may be entering the labor force and competing with adult workers today.

Economic Efficiency: Improving Productivity and Career Opportunities

The rationale that has supported federal policies of "exclusion" on one hand and "enclosure" on the other, has been one of economic efficiency. Excluding youth from the primary labor market not only protected adult jobs and wages, it also restricted the incentives for youth to drop out of school to
take higher paying jobs that might endanger their health and safety and limit their career alternatives later. Enclosing youth in school not only kept them from competing for adult jobs in the primary labor market (and educators employed -- no mean feat these days), it also was intended to improve their general skill level -- both academic and vocational -- and thus prepare them for more productive and promising careers once they entered the labor market. Voluntary enclosure policies such as youth employment programs were intended to provide basic on-the-job training and employment experience for those youth unable to find employment in the secondary labor market, in order to better prepare them for the world of work in the primary labor market.

Theoretically, these two types of policies would enhance each other and improve the economic efficiency and productivity of the labor force and the career opportunities of young people.

In this sense, federal youth employment policies have followed a fairly consistent framework for intervention in the labor market. With the exception of the past two years, these policies have also become progressively stronger in their effects, with exclusion policies growing increasingly tighter and enclosure policies becoming more encompassing. Much of this coherence in policy can be credited to the consistent nature of the political coalition favoring federal intervention in the youth labor market and its political dominance of twentieth century federal policy. Inasmuch as economic conditions -- i.e., the relative levels of labor supply and demand -- are responsible for the establishment and dominance of this coalition, the coherence of federal policy is not surprising and over the long term should be expected to continue.

The effectiveness of federal youth employment policy is still open to question. Clearly, federal policies have helped bring about very significant improvements in the working conditions and educational opportunities for the
country's youth. And clearly the self-interested objectives of the urban-labor-education-Democrat coalition have been well served by these federal intervention policies. Yet a significant youth unemployment problem still exists.

While some of the current high youth unemployment can be attributed to the recession and the present Administration's efforts to run against the political tide of economic events, this problem was still very evident at the end of the past decade when economic growth and federal intervention were relatively strong. Part of the high youth unemployment, even under these circumstances, can be explained by demographic trends. But most of this problem stems from the fact that the "economic efficiency" federal policies are not reaching, or helping, a significant core of the youth with severe labor market difficulties.

To some degree, the failure to help this core of disadvantaged youth can be attributed to the failure of our educational and vocational training programs to engage these young people on their own (sometimes remedial) level and to prepare them sufficiently for tangible private sector jobs. Fortunately or unfortunately, federal policies have almost always represented compromises between competing interests which in the heat of the political fray tend to focus more on their own bureaucratic objectives rather than the "purely public" objectives at stake. As a result, federal youth employment policies, particularly those charged with the responsibility of helping the least employable youth become more employable, frequently fail to include sufficient incentives to ensure the proper performance of these services. Until the political coalition responsible for enacting federal youth employment policy includes an advocate group with a strong political self-interest in this performance, or until federal youth programs are built around effective performance-based incentives, the difficulty in reaching and helping the core of disadvantaged
youth will persist.

The likelihood of either of these outcomes is not great. The community groups which provide the most effective self-interested advocacy on the local level are not easily organized to focus their efforts on national policy. And the pitfall of performance-based incentives is well known; namely, that the underlying incentive they present to service providers is to serve only the marginally unemployed youth and avoid the disadvantaged core.

Does the "new" private sector drift of federal youth employment policy offer an alternative to, or a helpful modification of federal intervention policies? Hopefully, increased private sector involvement in local youth employment and training programs will provide the performance policing and new avenues for advocacy that are necessary. However, local private sector advisory groups will be subject to many of the same political pressures that national policymakers face, and the potential pitfalls are numerous. As for non-interventionist policy proposals, such as the subminimum youth wage, tax credit subsidies, and the enterprise zone concept, it must be understood that these policies benefit only the marginally unemployed youth and not the core of youth with the most severe labor market disadvantages.

In summary, an historical perspective of federal youth employment policy suggests that in a general sense, the federal government has not been working at cross-purposes in its attempts to improve the productivity and career opportunities of young workers. Much of this continuity in federal policy is attributable to the consistent nature and political dominance of a coalition favoring federal intervention in the youth labor market, primarily for reasons of economic self-interest. However, the jury is still out concerning the effectiveness of these policies in attaining the "economic efficiency" they profess to promote. How this efficiency in the youth labor market can be achieved is yet to be determined.


