

# Employment of Youth and Young Adults with Disabilities in a Recovering Economy:

Lessons from the Great Recession and Considerations

for Policymakers Today | by Matthew Saleh and Andrew Karhan | February 2021

## Summary

Youth and young adults with disabilities (Y&YAD)<sup>1</sup> face a steeper road to employment and reemployment because of the COVID-19 pandemic and economic recession. Economic downturns disproportionately affect the employment outcomes of Y&YAD. Lessons from the Great Recession of 2008—coupled with an understanding of the unique service delivery challenges posed by the pandemic—can help guide responses by state policymakers and program administrators. Supporting Y&YAD during this time will require states to focus on reemployment and unemployment for those who were working, while maintaining and adapting supportive services and career pathways necessary to find employment for those Y&YAD who are not yet in the labor force. This brief outlines state-level strategies and examples policymakers and program administrators can utilize to support Y&YAD in securing employment. Key considerations include:

### AVOID FORFEITING FEDERAL FUNDS

States are operating on tighter budgets than before the pandemic, but limiting cuts to programs supporting Y&YAD that provide federal matching funds (e.g., Vocational Rehabilitation and Medicaid) can avoid further losses to essential services and activities for the population of Y&YAD.

### BEING NIMBLE TO INCREASE ACCESS TO EMPLOYMENT SERVICES

Many Y&YAD are experiencing disruptions to skill building, career preparation, and supported employment services during the pandemic. Securing and increasing access to these services can be accomplished in the following ways:

## 1 Providing technical assistance (TA) to local areas to serve the unique needs of Y&YAD

State-level TA and support to regional and local service providers can help them navigate uncertainties about the reopening of business sectors and new workplace requirements, while identifying and leveraging scalable innovative steps—both from within your state and from other states—to meet the specific needs of Y&YAD.

## 2 Initiating and leveraging collaborative partnerships

Adapting policy in response to the pandemic will require innovative partnerships between workforce development systems, employers, and employment service providers. Identifying innovative solutions to fiscal and program challenges requires policymakers and program administrators to explore new partnerships and consider leveraging existing “shovel-ready” workforce programs (those that can be implemented or expanded quickly), interagency taskforces, and local-level community partnerships to meet the needs of Y&YAD.

## 3 Working to maintain continuity of services for youth and families

Policymakers and program administrators can take steps to meet the continued need for effective remote services (such as telehealth services) in place of traditional in-person services, as well as innovative approaches to providing career preparation experiences and activities (e.g., job shadowing, apprenticeships, and career fairs) to help maintain continuity to career pathways for Y&YAD.

## Avoiding Forfeiting Federal Funds

According to the federal Rehabilitation Services Administration (RSA), in 2020 state VR programs have returned \$141 million in funding due to not meeting matching requirements.<sup>11</sup>

## Introduction

Youth and young adults with disabilities (Y&YAD) face a more difficult road to employment and reemployment because of the COVID-19 pandemic and economic recession. Youth entering the labor market during this time will experience uncertainties about the effect of COVID-19 on future job requirements and recruitment pipelines as the economy reopens. These youth may look to public benefits and programs as they navigate the recession, and state policymakers and program administrators must remain nimble by considering the needs of Y&YAD as they adapt programs with strained budgets to meet workforce needs. Lessons from the Great Recession of 2008, when viewed in the context of the current pandemic, can help guide these efforts.

## Lessons from the Great Recession

Economic downturns disproportionately affect the employment outcomes of Y&YAD.<sup>2</sup> During the Great Recession, Y&YAD experienced higher unemployment and withdrawal from the workforce than other workers<sup>3</sup> and unemployment claims for Y&YAD also increased more rapidly than for other workers, reaching historic levels.<sup>4</sup> Limited experience and skills among Y&YAD, when compared with older workers and workers without disabilities, contributed to disproportionate unemployment.<sup>5</sup> Trends of disparate unemployment for working-age people with disabilities, particularly for ethnic and racial minorities, have re-emerged during the pandemic.<sup>6,7</sup>

During the Great Recession, state budget cuts substantially affected programs supporting individuals with disabilities. These cuts resulted in the loss of state funding as well as federal matching funds.<sup>8</sup> For example, reductions in state funding for state Vocational Rehabilitation (VR) programs resulted in states returning \$143 million in unused matching funds to the federal government in fiscal year 2012.<sup>9</sup> Similarly, in 2020, states are returning \$141 million in unused VR funds due to not meeting the 21.3% match requirement.<sup>10</sup>

In addition to cutting programming and supports, state-level policy responses to economic downturns have historically focused on training needs around re-employment and retention.<sup>12</sup> However, many Y&YAD who are entering career pathways during these challenging times will also need access to youth- and transition-focused supports and services. Research from the Great Recession indicates the reasons for youth leaving or never entering the workforce often include issues unaddressed by vocational services, such as personal, family, and health issues.<sup>13</sup> Supporting youth today will require states to focus on unemployment and reemployment for those who were working, while also providing supportive services to youth so they can successfully navigate their [career pathways](#).

How can state policymakers and program administrators help connect or reconnect Y&YAD to career pathways?

## Avoid Forfeiting Federal Funds

Due to the design of various federal grant programs, not all state funding cuts have the same impact. For example, in the state VR program, for every dollar a state cuts, states lose approximately four dollars of federal funding. In turn, every dollar a state invests in the program results in five dollars in funding for services for individuals with disabilities. Other federal programs supporting Y&YAD also have maintenance of effort (MOE) or matching requirements, which, in the event of state spending cuts, often lead to reductions in federal awards. This includes funding of programs for special education through the [Individuals with Disabilities Education Act \(IDEA\)](#)<sup>14</sup>, state formula grants, financial assistance and support through the [Temporary Assistance for Needy Families \(TANF\)](#)<sup>15</sup> program, and an array of services through [Medicaid](#)<sup>16</sup>.

Efforts to balance state budgets should consider limiting cuts to programs with federal MOE or matching requirements to prevent the loss of potential federal funding. Avoiding or limiting cuts to the programs designed to support people with disabilities will maintain important services and activities for youth as they access a career pathway during uncertain economic times.

## Being Nimble to Increase Access to Employment Services

There are several strategies to increase access to employment services:

### 1 PROVIDING TECHNICAL ASSISTANCE TO LOCAL AREAS TO SERVE THE UNIQUE NEEDS OF YOUTH WITH DISABILITIES

Reduced budgets mean states need to quickly identify needs and target support services to meet the most pressing of those needs. One strategy is to provide targeted Technical Assistance (TA) and support to regional and local service providers. Providers of employment support services have voiced concerns about their ability to meet the needs of the growing number of Y&YAD who are new to the workforce during the pandemic.<sup>17</sup> TA and support from the state level can help providers navigate uncertainties about when and how certain sectors will reopen; identify and scale innovative practices across regions and other states; and offer guidance on new workplace requirements and maintaining relations with businesses hit hard by the crisis and shifting hiring needs.<sup>18</sup> States also can provide guidance to professionals on employment-related considerations for youth stemming from the pandemic, such as increased loneliness from in-home sheltering, greater health anxiety, and the loss of important in-person experiences tied to increased community inclusion and job search outcomes.<sup>19</sup>

### 2 INITIATING AND LEVERAGING COLLABORATIVE PARTNERSHIPS

One potential hidden benefit of the pandemic could be the removal of barriers to working from home for Y&YAD who experienced transportation, assistive technology, or other barriers to employment in the past. Because developing career pathways for Y&YAD often requires local-level collaborations to establish

education, training, and work experiences, converting this challenge into an opportunity will require innovative partnerships between workforce development systems, employers, and employment service providers at the local and state level for individuals with disabilities.<sup>22</sup> Further, many VR systems and service providers are turning to new service delivery approaches, which may provide opportunities for innovation and collaboration.<sup>23</sup>

During challenging fiscal times it is critical to leverage existing “shovel ready” workforce programs to meet the needs of Y&YAD as they begin their careers or re-enter the workforce. Outside of workforce development, policymakers also may evaluate new partnerships with stakeholders and community organizations invested in locating, reaching, and serving youth, and they can work with these organizations to connect youth to services and work or training experiences. Beyond existing workforce programs, states also can form new working groups, advisory panels, and interagency taskforces to facilitate connections across stakeholder groups and maximize existing resources to identify innovative solutions to fiscal and programmatic challenges.

### Technological Skills Development:

The Oregon State Library released a toolkit of technology training resources for VR counselors to help them meet the needs of their clients by increasing access to online services and developing skills needed to pursue and succeed in online job opportunities.<sup>20</sup>

### Resources for Youth and Families:

The Georgia Department of Behavioral Health and Developmental Disabilities' “Resiliency & Wellness Toolkit: Resources for Students, Parents, and Educators During COVID-19” provides resources to address social isolation and mental health needs.<sup>21</sup>

### **3 WORKING TO MAINTAIN CONTINUITY OF SERVICES FOR YOUTH AND FAMILIES**

Y&YAD face uncertainty about when and how specific sectors will reopen, the availability and access to supported employment services, rapidly evolving job requirements, and disruptions to traditional recruitment pipelines.<sup>26</sup> It is important to seek input from partner agencies and vendors to identify areas of need, prioritize supports and services for as many youth as possible, and adapt service delivery to meet those needs. Youth may experience challenges accessing skill building, educational opportunities, and resources during the pandemic, including disruptions to supportive employment services and career preparation activities and experiences (e.g., internships, apprenticeships, and job shadowing). Finally, they may face new barriers to accessing online learning platforms and assistive technologies.<sup>27</sup>

#### **Innovative Service Delivery Models:**

Some states are adapting registered apprenticeships to online formats to ensure continuity of employment and training experiences for youth.<sup>28</sup>

#### **New Partnerships:**

Texas VR offers Online Student Transition Fairs to help connect youth and providers with new employers during the pandemic<sup>24</sup> and holds virtual meetings for community providers to facilitate ongoing dialogue and collaboration at the local level.<sup>25</sup>

The COVID-19 pandemic presents unique challenges to maintain the continuity of services during the transition to remote service delivery in instances where in-person services cannot be done safely and as health and safety considerations evolve. There will continue to be a need for effective remote services (such as telehealth services) in place of traditional in-person services. This will be challenging for Y&YAD who previously relied heavily on community-based and in-home service provision.<sup>29</sup> As a result, efforts to identify innovative, scalable delivery approaches from within state and from other states is crucial.

### **Conclusion**

Y&YAD are enduring challenges in starting their career pathways and entering the labor market during the pandemic and recession. Policymakers should not only respond to the needs of those who have lost their jobs, but also consider the effect this pandemic will have on Y&YAD beginning their careers. Policy responses to the Great Recession tended to focus on unemployment and reemployment, which overlooked the other needs of Y&YAD. Yet, today policymakers have an opportunity to shift to effective approaches to meet the current needs of youth. In order to fund important services for Y&YAD, states can avoid forfeiting federal funding by prioritizing programs with federal matching requirements to maintain crucial public benefits and programs Y&YAD can use to navigate the recession. Further, policymakers can employ nimble approaches to increase access to services through the provision of focused technical assistance, by engaging in new collaborative partnerships, and by working to maintain the continuity of services for Y&YAD and families. Overall, this collection of steps can strengthen the stepping-stones for Y&YAD to better navigate the challenges they face amidst the pandemic.

### **Acknowledgements**

The authors would like to offer special thanks for the leadership and contributions of the overall ODEP team in the development of this brief.

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## Endnotes

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Preparation of this item was fully funded by the United States Department of Labor, Office of Disability Employment Policy, under Cooperative Agreement No. OD-33982-19-75-4-21. This item does not necessarily reflect the views or policies of the U.S. Department of Labor, nor does mention of trade names, commercial products, or organizations imply endorsement by the U.S. Government.



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