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The Benefits of Reconnecting Opportunity Youth to School and Work: Understanding the Return on Investment of the Aspen Institute's Opportunity Youth Forum

Opportunity youth, young people aged 16-24 who are not in school and not working, have great potential to make a difference both for themselves as individuals and in their communities. The barriers faced by these young people are significant; failing to address those barriers has real consequences, not only for the youth themselves but for society at large – limiting their futures, depriving the workforce of their full talents, and creating needless social costs.

The economic impact of being disconnected as a young adult is well studied. Compared to young people who experienced youth disconnection, **youth who remained connected earned $31,000 more annually in their 30s and were 42 percent more likely to be employed, as well as 45 percent more likely to own a home.**[1] In addition to the long term financial impact, connection has other benefits; for example, **youth who remained connected were 52 percent more likely to report excellent or good health than those who had ever been disconnected.**[2]

In "*The Economic Value of Opportunity Youth*" by Belfield, Levin, and Rosen[3], the authors calculated the costs of youth disconnection to taxpayers and to greater society. Costs calculated included lost earnings, lower economic growth, lower tax revenues, and higher government spending. Belfield et al. calculated **the costs of youth disconnection at $13,900 per opportunity youth per year in costs to taxpayers and $37,450 per opportunity youth per year in broader social costs (2011 dollars).** Over an individual's lifetime, **costs increased to $170,740 per opportunity youth for taxpayers and $529,030 per opportunity youth in social costs (2011 dollars).**[4]

Savings from Reconnecting Opportunity Youth in the Opportunity Youth Forum Network

We used these calculations to estimate the costs of youth disconnection in the OYF network and the savings from reconnection.

The cost of *not* reconnecting the 917,159 opportunity youth[5] in the communities served by the OYF network is approximately $52,000 per opportunity youth per year (in 2024 dollars) which equates to $48 billion a year in total social costs. **If all the opportunity youth in the OYF network were reconnected, over a lifetime more than $900 billion in social costs could be saved.** (see Table 1B)

In 2024, OYF collaboratives reported reconnecting almost 23,000 opportunity youth (likely an undercount)[6] to education or employment. **This reconnection saved taxpayers $441 million in one year and society more broadly $1.2 billion in one year.** (see Table 2B)

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[1] Lewis, K., & Gliskin, R. *Two Futures: The Economic Case for Keeping Youth on Track*. New York: Measure of America, Social Science Research Council, 2018. Two Futures: The Economic Case for Keeping Youth on Track - Measure of America: A Program of the Social Science Research Council.

[2] Lewis, K., & Gliskin, R. *Two Futures: The Economic Case for Keeping Youth on Track*. New York: Measure of America, Social Science Research Council, 2018. Two Futures: The Economic Case for Keeping Youth on Track - Measure of America: A Program of the Social Science Research Council

[3] Belfield, C.R., Levin, H.M., & Rosen, R. January 2012. *The Economic Value of Opportunity Youth*. For the Corporation for National and Community Service and the White House Council for Community Solutions. ED528650.pdf

[4] See Appendix A for a list of all costs Belfield et al.'s study included in their calculations.

[5] Number of opportunity youth based on 2024 American Community Survey data for the geographic areas (PUMAs) representing OYF communities.

[6] 32 out of 38 collaboratives (84%) submitted data on youth/OY served and their outcomes in 2024. Among collaboratives that submitted data, many did not receive data on youth served from *all* partners; thus, data are considered partial/incomplete.

Technical Note

Prior to calculating cost and saving estimates, we reviewed the literature on the benefits of reconnecting opportunity youth to school or work (or the costs of not reconnecting opportunity youth). The two relevant studies focused on opportunity youth were Belfield, et al., "*The Economic Value of Opportunity Youth*" and Measure of America's "*Two Futures: The Economic Case for Keeping Youth on Track*." The Belfield, et al. research was more exhaustive and detailed and therefore we used their estimates to calculate the costs and benefits for the OYF network.

> "*Each component (of the fiscal and social costs) is calculated from social science research and the most recent available data, including government budget documentation and web-based data sets. This method is now well-accepted, following methodological and empirical research over the past four decades. Also, the method has been applied in a range of different contexts and for different populations*." (Belfield et al., 2012, pg. 11)

We used Belfield et al. calculations from their 2012 report to estimate the costs of youth disconnection in the OYF network in recent years. While there have been changes in the ensuing years in demography, returns to high school and post-secondary education, teen behavior, and public benefits, we believe that the calculations (using inflation conversions) continue to provide valuable estimates on the costs of disconnection, highlighting the continuing need for investment in this population. In fact, these estimates for the costs associated with opportunity youth in the OYF network may be conservative: "*Future cohorts of opportunity youth will most likely face even greater economic pressures… from the taxpayer perspective, both health costs and incarceration costs are likely to escalate*." (Belfield et al., 2012, pg. 26).

Belfield et al. used multiple data sets, including longitudinal data, to make their calculations.[7] Longitudinal data allows researchers to follow opportunity youth into adulthood and compare outcomes (employment, earnings, public benefits receipt, criminal activity, etc.) to non-opportunity youth. Belfield et al. took multiple approaches, using the most conservative estimates and conducting sensitivity analysis. In addition, a number of costs are not included in their calculations (due to insufficient data or evidence of magnitude). The results, therefore, are conservative estimates of the costs of youth disconnection.

The Belfield et al. calculations also appear conservative when comparing them to the Measure of America (MOA) study of the costs of youth disconnection. MOA calculated costs of $11,900 per year per opportunity youth (2018 dollars) in lost federal tax revenue alone; in 2023 dollars, this is $14,399 per year per opportunity youth and the Belfield taxpayer estimates are $18,765 per year per opportunity youth and include other costs in addition to lost federal tax revenue. MOA calculated costs due to increased use of public benefits at $49,471 per year per opportunity youth (in 2018 dollars); this is $59,860 per year per opportunity youth in 2023 dollars – more than Belfield's social costs of $50,558 per year per opportunity youth and includes many more costs than public benefits alone. In all, we feel confident that the Belfield et al. calculations used in this analysis for the OYF network are likely conservative.

[7] Data sets include American Community Survey (ACS), Current Population Survey (CPS), NLSY79 (National Longitudinal Study of Youth), ELS2002 (Education Longitudinal Study), and AddHealth (The National Longitudinal Study of Adolescent to Adult Health).

APPENDIX A: Components of Belfield, Levin, and Rosen (2012) Cost Calculations[8]

Belfield et al. included the following components in their calculations of the costs of disconnection to taxpayers and to society more broadly. The two calculations overlap slightly but are based on different interpretations of resource use. The social perspective counts all the resource implications for opportunity youth regardless of who "pays" for them. The fiscal (taxpayer) perspective is narrower; it only counts resources for which the taxpayer is responsible.

Table 1A. Components of Taxpayer Cost Calculations

Lost tax payments	Includes federal and state income/consumption taxes
Crime: public expenditures	Criminal justice system, policing, and corrections expenditures (federal, state local)
Health: public expenditures	Medicaid, Medicare for persons under 65, and other government agency expenditures on health
Welfare: support programs	Expenditures on social supports (e.g., workforce training)
Welfare: transfer payments	Amounts paid to individuals who receive government supports
Education: public savings	Lower schooling and college subsidies from government agencies

Table 2A. Components of Social Cost Calculations

Lost earnings	Gross income including fringe benefits (health and pension)
Crime: public expenditures	Criminal justice system, policing, and corrections expenditures (federal, state local)
Crime: victim costs	Reduced quality of life, monetary damages, lost earnings
Health: public expenditures	Medicaid, Medicare for persons under 65, and other government agency expenditures on health
Health: private burdens	Private expenditures on medical treatments (out-of-pocket, private insurance) and private valuations of health
Welfare: support programs	Expenditures on social supports (e.g., workforce training)
Productivity spillovers	General economic gains from a more educated workforce
Education: public savings	Lower schooling and college subsidies from government agencies
Education: private fee savings	Lower fees and college expenses for families
Marginal excess tax burden	Cost of raising taxes to pay for public services

[8] Belfield, C.R., Levin, H.M., and Rachel Rosen. January 2012. *The Economic Value of Opportunity Youth*. For the Corporation for National and Community Service and the White House Council for Community Solutions. ED528650.pdf

APPENDIX B: Estimated Costs and Savings in the OYF Network

Table 1B. Costs of Youth Disconnection in OYF Network (2024)

	A. 2011 Estimated Costs (Belfield et al.)	B. Convert Costs to 2024 dollars (multiplier of $1.39)	C. Number of OY in OYF network in 2024 (American Community Survey)	D. Costs of disconnection (B*C)
Annual Cost ("immediate cost" when 16-24 yrs old)	Taxpayer costs: $13,900/OY/year	Taxpayer costs: $19,321/OY/year	917,159	$17.7 billion/year in taxpayer costs
	Social costs: $37,450/OY/year	Social costs: $52,056/OY/year	917,159	$47.7 billion/year in social costs
Total cost (immediate + lifetime)	Taxpayer costs: $240,240[1] per person	Taxpayer costs: $333,934 per person	917,159	$306 billion in total taxpayer costs
	Social costs: $716,280[2] per person	Social costs: $995,629 per person	917,159	$913 billion in total social costs

[1] Calculated as: $13,900*5 years=$69,500; plus lifetime cost of $170,740 equals $240,240
[2] Calculated as: $37,450* 5 years = $187,250; plus lifetime cost of $529,030 equals $716,280

Table 2B. Savings from OY Reconnected by OYF Collaboratives in 2024

	A. 2011 Estimated Costs (Belfield et al.)	B. Convert Costs to 2024 dollars (multiplier of $1.39)	C. Number of OY reconnected in 2024	D. Cost savings (B*C) (for reconnecting OY)
Annual Cost ("immediate cost" when 16-24 yrs old)	Taxpayer costs: $13,900/OY/year	Taxpayer costs: $19,321/OY/year	22,836	$441 million saved in one year
	Social costs: $37,450/OY/year	Social costs: $52,056/OY/year	22,836	$1.2 billion saved in one year
Total cost (immediate + lifetime)	Taxpayer costs: $240,240[1] per person	Taxpayer costs: $333,934 per person	22,836	$7.6 billion saved over lifetime
	Social costs: $716,280[2] per person	Social costs: $995,629 per person	22,836	$22.7 billion saved over lifetime

[1] Calculated as: $13,900*5 years=$69,500; plus lifetime cost of $170,740 equals $240,240
[2] Calculated as: $37,450* 5 years = $187,250; plus lifetime cost of $529,030 equals $716,280
Note: Column C is drawn from 2024 OYF partner data from 32 communities. Column C includes: #OY served by education programs (10,051 OY served by K-12 programs; 9,692 OY served in post-secondary programs) and #OY gaining employment (3,093 OY attaining paid, permanent job).