

Testimony Regarding HB 2196, The Youth Employment Incentive Tax Credit

Submitted by:

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Good afternoon, Committee Members. I am pleased to testify in support of Youth Employment Incentive Tax Credits. It's my hope that, by providing tax credits to employers, we can significantly increase the number of paid internships for young people.

The business leaders of the United Way are deeply concerned about the plight of young people, especially older teens and young adults. A 2007 needs assessment conducted for United Way by the University of Pittsburgh showed real problems - critical problems that our community better address.

Did you know that among 11th graders in Allegheny County, more than 30% can't read at required levels and more than 40% can't do math properly? Moreover, 50% of African American males in our city schools drop out before graduation. Thousands more of our children are not engaged in school and simply choose not to attend class or apply themselves in school.

Our local rate of "idle youth" ages 15-24 (neither in school nor working) has increased sharply in distressed areas. Think for a moment about the trouble that is caused when young people are neither in school nor working.

In my short nine months at the United Way, we have adopted major Community Initiatives and Partnerships to get our youth engaged and motivated in school and being

good citizens. One of our new initiatives is *Motivating Kids to Succeed in School*. At the heart of that Initiative is helping our youth, particularly middle school youth and early high school youth to develop positive hope for the future. Research shows that positive future aspirations happen when youth are aware of career opportunities and more importantly understand that those jobs are within their sights if they attend to school, learn to read, write, and do math adequately as well as behave in a way that does not disqualify them (illegal behavior) or does not make it hard to pursue training and employment (teen pregnancy.)

As adult leaders of the community, we must help youth connect high school completion and proficiency with future careers that are both rewarding and rewarding. So many of our youth do not have a dream of a career. When did you have your dream? I knew in seventh grade. But, far too many of our youth lack the dreams, the positive role models and the knowledge that their futures can be brighter if they attend to a solid high school education and good citizenship.

One way to connect the dots for youth: Meaningful, educationally sound internships that give high school students and other young people the opportunity to learn about the world of work in ways that no amount of abstract classroom training can offer and that is a vital necessity when they lack community role models to teach them about the world of work. A paid internship can prove that work can result in income to students who may have little experience with regular income, either personally or with their families.

Perhaps most important, an internship can let a young person see career possibilities that they never even knew existed. People who grow up with limited financial and educational resources often have very limited horizons when thinking about work. It is nearly impossible to consider entering a career path when you do not know that it exists or you have no idea how to prepare yourself for it. Internships can provide the opportunity to understand career options and the skills necessary to succeed in a unique and impactful way. And an internship that is integrated into the school curriculum can have an even greater impact on forming aspirations. Even though the value of internships

is self-evident, community-based agencies struggle to get employers to offer internships for youth. This tax credit should help community agencies gain support from employers.

The United Way funds organizations that serve the underserved. Too frequently, the process of preparing people for a life of competent, financially rewarding work falls to the schools and to many of the nonprofits that receive United Way support. If we can encourage even more private, for profit employers to act as members of the workforce development system, we can give students a wider range of possibilities from which to choose their future careers. Most people work for private companies or very large nonprofits, such as hospitals and universities, which offer work environments similar to private companies. The best way to allow these employers to initiate or expand activities in workforce development is to let them see immediate rewards for their efforts. HB 2196 allows companies to see financial rewards from their participation in structured, educationally sound internships, internships that can start students thinking about their long-term paths to jobs.

In addition to opening doors to the real world of work, internships may have an impact on reducing other problems that are often related to lack of job skills. People who lack skills and are essentially viewed as unemployable are often more likely to be involved in violence, illegal drug trafficking and other anti-social activities. Employers who bring young people into the predominant culture of the employed are also giving interns an opportunity to choose another path away from activities that may result in prison, death or permanent disability. A tax credit can provide the small motivation for an employer who provides a path to a career and, possibly, saves a life.

The United Way offers community leadership to resolve major problems that negatively impact all of us. I think there is general agreement that the quality of life in our community is at least partly dependent on the ability of every person who wants a job to have one, and to get the training needed to get and keep that job. Bringing young people into our workplaces as an enhancement to our operation and as an effective way of training them can benefit the whole community going forward in so many ways. For this

reason, the United Way of Allegheny County endorses activities, like internships, that can lift young people's expectations for the future while ensuring a reliable number of competent workers for our region's employers.

Again, I thank the bill's sponsors for advancing the idea of tax credits to encourage internships. I urge the Committee to support the youth internship tax credit concept embodied in this bill. Thank you.