



ECONOMIC BILL OF RYTS
(Real Youth Troubles & Solutions)

May 2021

Introduction

As Black, Indigenous and People of Color (BIPOC) youth leaders growing up in low-income and low-wealth communities, we have partnered with other youth across the country to design this Economic Bill of RYTS (Real Youth Troubles & Solutions). We do so in order to identify foundational economic needs all youth deserve. These RYTS lead the way to effective policy solutions, spotlighting the proper resources, tools, and knowledge that all youth need in order to get on a path to building income and wealth for ourselves, our families and our communities. As we experience the persistent societal inequities that attempt to create barriers for BIPOC youth and young adults to move up the economic ladder, we are committed to working with our adult allies, and together to ensure that future generations are on a path towards building wealth. By working collectively we can be a part of the solution in making that happen.

We are the founding members of Youth POWER (Policy Organizers for Wealth and Economic Rights) and longtime leaders at MyPath. [MyPath](#) is a national nonprofit focused on increasing wealth building opportunities for BIPOC youth and young adults from low-income and low-wealth communities by reducing their financial and economic vulnerability. We do this by working with economic decision makers to transform systems and policies.

Join us by signing up [here](#) to track Youth POWER's action and progress with these RYTS!

CONTEXT

All youth deserve life, liberty and the pursuit of happiness as outlined in the Declaration of Independence. Yet, since the founding of this country, systems of inequity like structural racism and the class divide have stood in the way. Though we know this country's founding may not have started out including all classes of people (slavery, segregation and voting rights), this country has and continues to evolve. Many of the social movements that have pushed our country to live up to its ideals have been led by young people. In that tradition, we are stepping up to do our part.

As today's youth ("youth" hereafter refers to those within the age group of 16-24 years old), we inherit these social and economic legacies and burdens that have shaped and continue to shape our economic trajectory. Long standing injustices based on the premise of race continue to fuel this racial wealth gap.

New data from the 2019 Survey of Consumer Finances (SCF) shows that long-standing and substantial wealth disparities between families in different racial and ethnic groups were little changed since the last survey in 2016; the typical White family has eight times the wealth of the typical Black family and five times the wealth of the typical Hispanic family. (Federal Reserve, 2020)

Racial economic inequality is traced back to **redlining** as economic inequity is no coincidence. Redlining in its earliest form was the systemic segregation of Black Americans from suburban and affluent white neighborhoods on the pretext of protecting white suburban property values. Together, the Federal Housing Administration and banks created color-coded maps indicating 'green' neighborhoods as their measurement of "reliable" mortgage lending areas, while 'red' indicated their idea of "unreliable" mortgage lending. As a result, black communities were segregated to under-resourced neighborhoods whereas affluent neighborhoods were exclusive to white residents. Since then redlining practices have evolved impacting other people of color with other issues including the lack of access to financial, educational and economic resources.

These human designed inequities have replicated generational cycles of poverty. Leaving youth from poor communities living separate and unequal lives from our wealthier counterparts. These generationally inherited and entrenched systemic

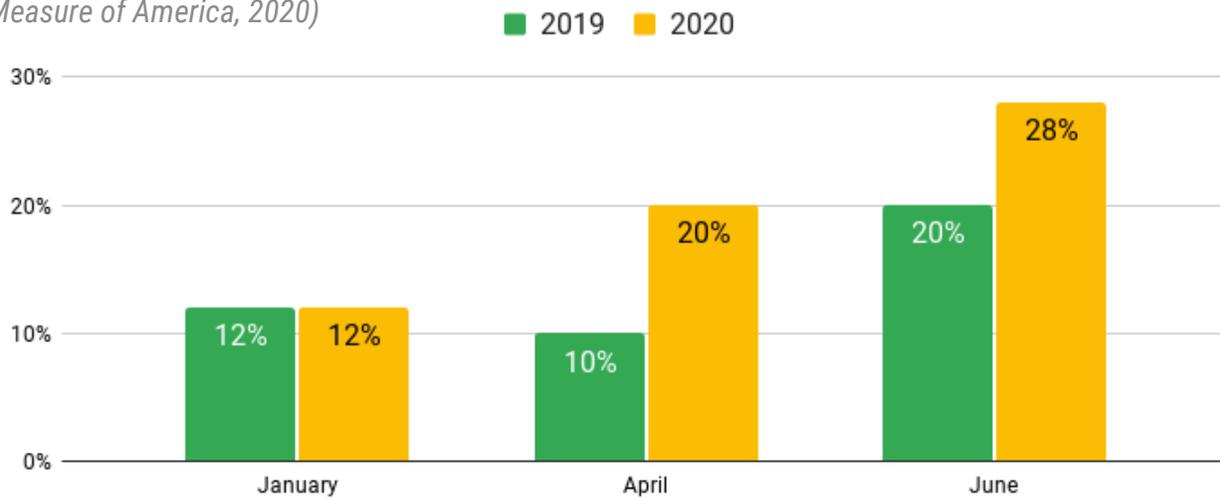
inequities impact all youth but most especially disconnected "BIPOC youth" (Black, Indigenous, and other People Of Color), who are neither in school nor working.

Prior to COVID-19 "disconnected youth" (those not working nor in school) were already facing barriers:

- In 2018, there were 4,353,300 disconnected youth (16-24 year olds) in America, or 1 in 9 teens/ young adults (see more in appendix)
 - Native American youth (23.4%), Black teens and young adults (17.4%) Latino (12.8 percent), white (9.2 percent), and Asian (6.2 percent) young people.
- Nearly 2x as likely to live in poverty
- More than 3x as likely to have a disability
- 9x as likely to have dropped out of high school
- Disconnected young women are 4x more likely to be mothers than their connected peers
- More than 20x as likely to live in institutional group quarters as their connected counterparts including justice and foster care systems involved youth (see more in appendix)

FIGURE 1: 16-24 Year Olds Not in School or Working (Detachment) in 2019 vs 2020

(Measure of America, 2020)

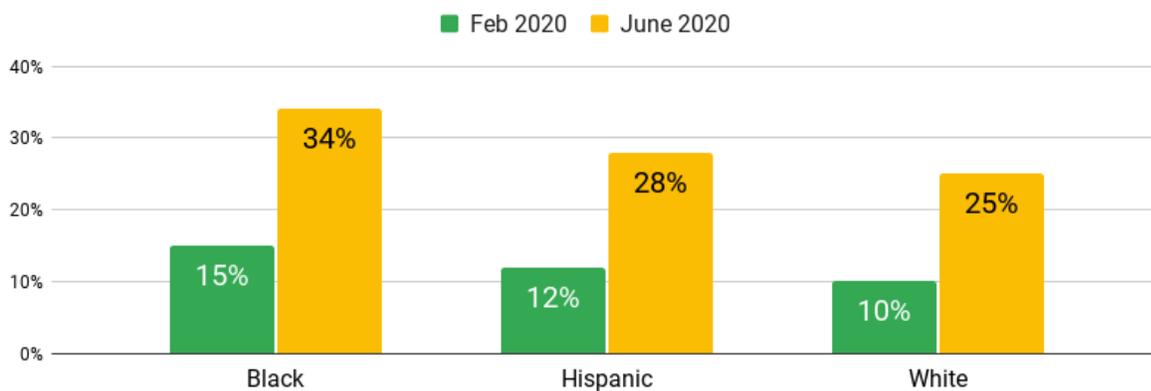


THE CURRENT PROBLEM

We are experiencing massive job loss & school enrollment decline in the COVID Economy.

With the onset of the COVID-19 pandemic and its devastating economic impact, at the very moment BIPOC youth are transitioning from youth into adulthood, we are facing an economic cliff and looming crisis. From Spring 2019 to Spring 2020, the unemployment rate for young workers ages 16–24 jumped from 8.4% to 24.4%. “Unemployment rates were even higher for young Black, Hispanic, and Asian American/Pacific Islander workers (29.6%, 27.5%, and 29.7%, respectively)” (Economic Policy Institute, 2020). Traditional college-age student enrollment (ages 18-24) declined more sharply this spring (-5.3% compared to -0.6% last spring) and decreased twice the rate of adult students aged 25 and older (-2.6%) (National Student Clearinghouse, 2021). BIPOC youth are now experiencing massive job loss, food insecurity, lack of wifi access to be able to complete our high school or college careers, all while competing with adults in the labor market who have had many more years of experience than us. **We are just starting out on our own financial pathway, yet are in the second major economic recession in our young lives.**

FIGURE 2: 16-24-year-olds not in school or working indicating detachment by race, February 2020 - June 2020 (*Measure of America, 2020*)



We are not seen, heard or considered in government policy making and relief packages.

Though systemic economic solutions are set through government policy and resource allocation, BIPOC youth are often an overlooked population. Too often, our financial and economic circumstances remain invisible when it comes to public policy and government safety net programs. Policies and programs that impact youth should have a youth voice in the decision-making process. Youth as emerging adults are excluded from receiving direct stimulus checks, accessing unemployment benefits, and being eligible ourselves for a tax credit, despite contributing to the national economy. Furthermore, because the current measure of poverty (the determinant to structural government supports programs i.e., SNAP, WIC, and unemployment insurance) is outdated and extremely low, BIPOC youth are again locked out of accessing such government programs, now when we can least afford to be without a safety net. **We are unable to access government relief efforts in an unprecedented economic moment in history when we need it the most.**

We don't have access to financial information and tools in our schools and communities.

We enter these dire circumstances without enough structural investment in building youth's financial capability to successfully weather this unprecedented time in history. With 29 states lacking any personal finance course requirement in our K12 education (Council for Economic Education, 2020), we have major gaps in our learning and skill sets to prepare us around budgeting, managing our money and paying bills. Those of us growing up in historically redlined communities and without nearby banks for us to open bank accounts, access debit cards or credit building opportunities, we often have to rely on predatory high fee check cashers as our financial service option. This lack of financial education, combined with the lack of access to critical tools to safely save and store our money, and build our credit, puts BIPOC youth and communities of color at greater financial and economic vulnerability.

Disparities will continue to widen if no action is taken.

BIPOC youth need access to the proper financial resources, tools and knowledge for a strong economic foundation to launch our futures. Young people growing up in low-income and low wealth communities are experts in the everyday financial barriers and economic conditions that they face, thus partnering with youth is the most effective strategy to create the blueprint for solutions if given the opportunity.

The Youth Principles for Economic Rights

In response to the systemic racial inequities facing youth, including the economic impact of the COVID-19 pandemic, we developed these principles grounded in research and the stories of youth experiences across the country. We have determined that all youth deserve these basic principles and resources which make up the foundation for the economic RYTS in order for us to grow in a healthy and thriving environment.

In order to directly impact current and past systemic inequities, there are 4 core categories that present opportunities to partner with key decision makers for true economic change.

Financial Mobility & Economic Access

All youth deserve quality financial products that build credit, safely bank, save, store and manage their own money.

All youth deserve financial education to acquire the skills and knowledge to build responsible financial habits.

All youth are rightfully due a voice in advising policy decisions that impact their economic lives.

Education & Career Development

All youth deserve safe and free or affordable quality higher education and career pathway programs.

All youth need to be informed about and have a safe place to report sexual harassment / assault at higher education and career pathway programs.

All youth deserve financial and academic programming for college completion.

Employment

All youth deserve equal treatment without having to worry about discrimination on the basis of age, sex, sexual orientation, race, religion and nationality when applying for jobs and unemployment programs.

All working youth deserve to be paid a living wage with all entitled benefits that include a minimum number of hours per week, a set schedule, accumulated paid time off, sick time, vacation time, retirement account access, and access to unemployment insurance.

Essential Health & Human Services

All youth deserve to live in stable and safe housing in close proximity to schools, free public transportation, and public resources that foster healthy living and youth development.

All youth deserve to have full political representation in government without exclusion of age. All youth deserve community leaders to invest in an environmentally sustainable community.

All youth deserve to feel connected and their needs reflected in the planning and development of our communities.

Youth Economic Rights: Policy Recommendations for a Solutions Based Future

Investing in economic policy solutions that are centered for youth will create the necessary resources, tools and knowledge for investing in the present and future of our nation's young people. These youth designed economic rights are key pillars to policy recommendations that will prevent generational poverty and build support systems in order to create a path towards wealth building.

1) THE RIGHT TO A GUARANTEED INCOME PAIRED WITH FINANCIAL EDUCATION

When guaranteed income pilots are paired with financial capability supports, it provides not only a stream of income but also the knowledge and tools to best maneuver out of financial instability, develop a strong financial foundation by utilizing healthy financial practices. A guaranteed income creates a new opportunity for self actualization thus leading youth to better understand financial risks and decision making.

- MyPath fundamentally believes in a Guaranteed Income project for youth and young adults as a means of addressing systemic inequities as youth opportunity and associated inequities.
- Stockton's UBI pilot has proven to increase participant employment opportunities, reduce stress and anxiety, reduce income volatility and assist its recipients' financial plan for their futures.
 - [Stockton UBI Findings](#)

2) THE RIGHT TO BE ELIGIBLE FOR THE EARNED INCOME TAX CREDIT (EITC)

As working people participating in the nation's economy we need access to economic resources and direct cash assistance. Yet we are exempt from such eligibility due to dependency status and under 24 years of age. Providing social safety net eligibility to taxpayers over the age of 18 will allow young people to have a chance at ending the generational cycle of poverty within low-income families and actively participate in the economy.

- The earned income tax credit is already the largest anti-poverty program in the U.S. Numerous studies show that exposure to EITC has led to improved educational and employment outcomes in adulthood
- It is imperative to include younger age groups in these measurements and eligibility brackets due to the fact that many youth contribute to the nation's economy. The basis for distributing government services relies on a measurement that does not accurately reflect the participation of youth, low-wage workers, and other vulnerable groups in the economy.

3) THE RIGHT TO A NATIONAL MODEL FOR YOUTH BANKING

This is an opportunity for financial institutions to engage with their young members, or their next generation of consumers, and offer appropriate resources and services that put financial well-being into practice. An example of youth-friendly account features are:

- [Federal Guidance to Financial Institutions](#)
 - No minimum or starting balance
 - Zero or low monthly and minimum balance fees
 - No overdraft capability
 - No dormancy or inactivity fees
 - Free and unrestricted access to customer service
 - Free online/mobile banking and bill pay
 - Ability to add cash or other direct deposit sources to the account/card without fees
 - Free and unrestricted use of in network Automated Teller Machines
- MyPath has created the [National Youth Banking Standards](#) and has been proven to effectively engage young workers with banking and savings.
 - No minimum or starting balance
 - Zero or low monthly and minimum balance fees
 - No overdraft capability
 - No dormancy or inactivity fees
 - Free and unrestricted access to customer service
 - Free online/mobile banking and bill pay
 - Ability to add cash or other direct deposit sources to the account/card without fees
 - Free and unrestricted use of in network Automated Teller Machines

4) THE RIGHT TO EASILY ACCESSIBLE CREDIT REPORTS

The same required documents needed to open a bank account are needed to access credit reports.

These required documents are not easily available or accessible to youth, especially those under 18 years old or who are ITIN holders. Young people under the age of 18 often do not have an official government ID (i.e. a driver's license or passport) or formal proof of address (i.e. a utility bill in their name) and many do not have a social security number. Youth are often the victims of suspected fraud. We want to ensure that all youth transitioning into adulthood are able to do so with an accurate and clean credit slate.

5) THE RIGHT TO PROPER RESOURCES THAT ENCOURAGE FINANCIAL CAPABILITY WITHIN YOUTH EMPLOYMENT PROGRAMS

This is an opportunity for youth employment programs to partner with banks and other community youth workforces to embed youth friendly banking into their program. This implements quality financial education and banking access into employment programs by promoting a streamlined direct deposit process.

- [Federal Reserve of San Francisco Study:](#)
 - Outside researchers demonstrated the impact of MyPath Savings on youth participants. 97% of participants enroll in accounts during their initial employment period. All participating youth set a personal savings goal – most commonly saving 30% of their earnings – and 96% meet their goal. Participants report significant increases in their financial confidence and outlook on the future.

- [Federal Guidance to Youth Employment Programs](#): This resource guide is for youth employment programs that are interested in enhancing financial capability and building partnerships with financial institutions. It maps out how and why such partnerships can help young people achieve greater financial well-being and employment success.

6) THE RIGHT TO QUALITY FINANCIAL EDUCATION

A semester-long educational course taught for younger age groups that covers crucial topics often not taught in low-income communities & communities of color such as safe banking, budgeting, filing taxes, and credit building. Under-resourced high school students need a strong financial education because in this country, money is power. Without a quality financial education, we cannot use our money to its full potential.

7) THE RIGHT TO FINANCIAL COACHING

Youth need an online network where they can connect with a financial mentor, access 1 on 1 financial coaching, and develop financial capability plans with a supporting mentor.

- Financial coaching is an essential way for low-income working youth to develop a savings and credit plan. Such integrations will offer education and action plans, for instance enrolling into credit-building and direct deposit programs that will introduce them to healthy financial practices at an early age. The goal here is to develop income into financial sustainability and learn how to do that at an early age; financial mentoring is the next step towards reaching that goal.

8) THE RIGHT TO PARTICIPATE IN DEFINING THE FEDERAL POVERTY LEVEL

The current federal poverty level was originally created back in 1964 and was only determined based on the cost of food. In order to get a more accurate picture of all those in the United States who are living in poverty, the federal poverty level must be updated and redefined to reflect current day costs of living including housing, transportation and utilities.

- The current measurement fails to account for rising costs in health care, education, as well as internet access and cell phone. (Stanford, 2010)
- This measurement is used to determine eligibility for all types of government aid, including the Federal Supplemental Nutrition Assistance Program, Temporary Assistance for Needy Families (TANF), and Medicaid. How the line is determined has real material implications for low-income families. (Stanford, 2010).

9) THE RIGHT TO PARTICIPATE IN POLICY MAKING (DECISIONS)

Government institutions and policymakers need to understand the nuances and barriers that BIPOC youth experience and what solutions make the most sense from a youth perspective in order to best serve the needs of youth. An advisory board made up of young people between the ages of 16-24 would be able to formally provide insight and recommendations for the quality of life of other youth in different regions of the country. This body of youth would be able to bridge a connection between policy makers, local community members, and youth organizations that are working towards advocating for legislative and fiscal changes.

Appendix

SOURCES

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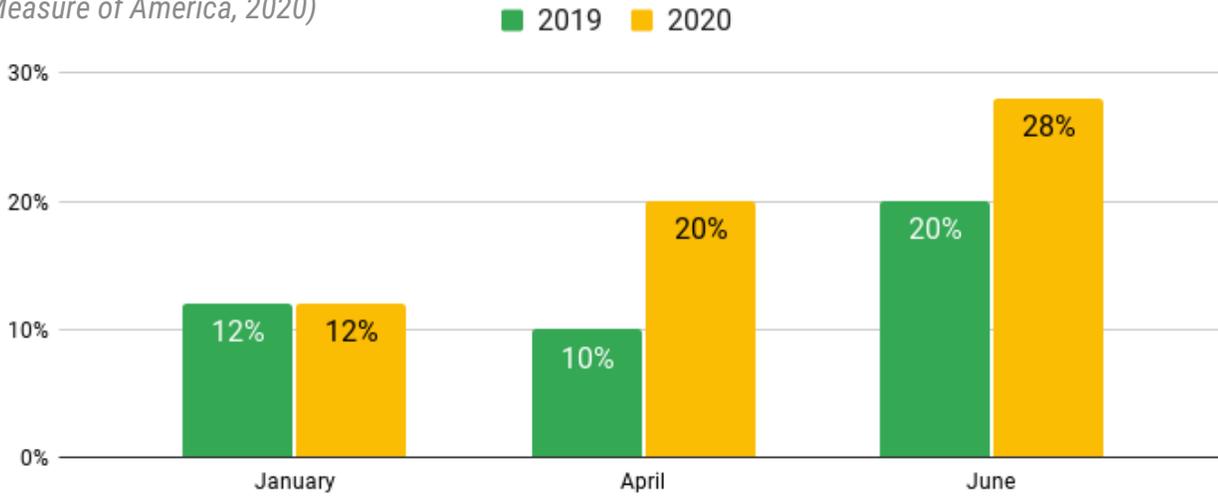
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GRAPHS USED

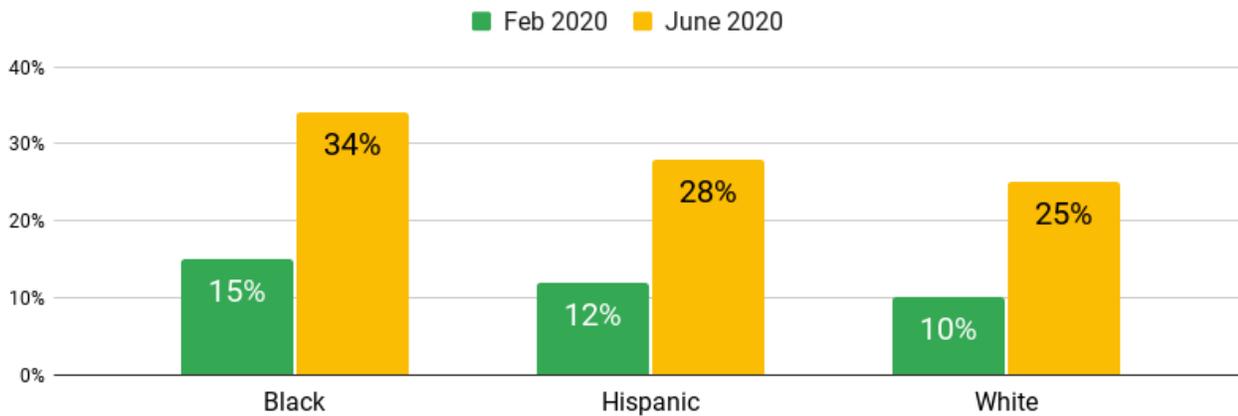
16-24 Year Olds Not in School or Working (Detachment) in 2019 vs 2020

(Measure of America, 2020)



16-24-year-olds not in school or working indicating detachment by race, February 2020 - June 2020

(Measure of America, 2020)



ADDITIONAL INFORMATION

Champion Guaranteed Income Pilots with Financial Capability Supports

- [Stockton Basic Income Pilot](#)
- [Vancouver Basic Income Pilot](#)

Provide universal safe banking access

- <https://vimeo.com/369955287>

Embed banking and saving access into all youth touchpoints including non-custodial accounts and direct deposit

- [Federal Reserve of San Francisco Study](#)
- [Federal Guidance to Youth Employment Programs](#)