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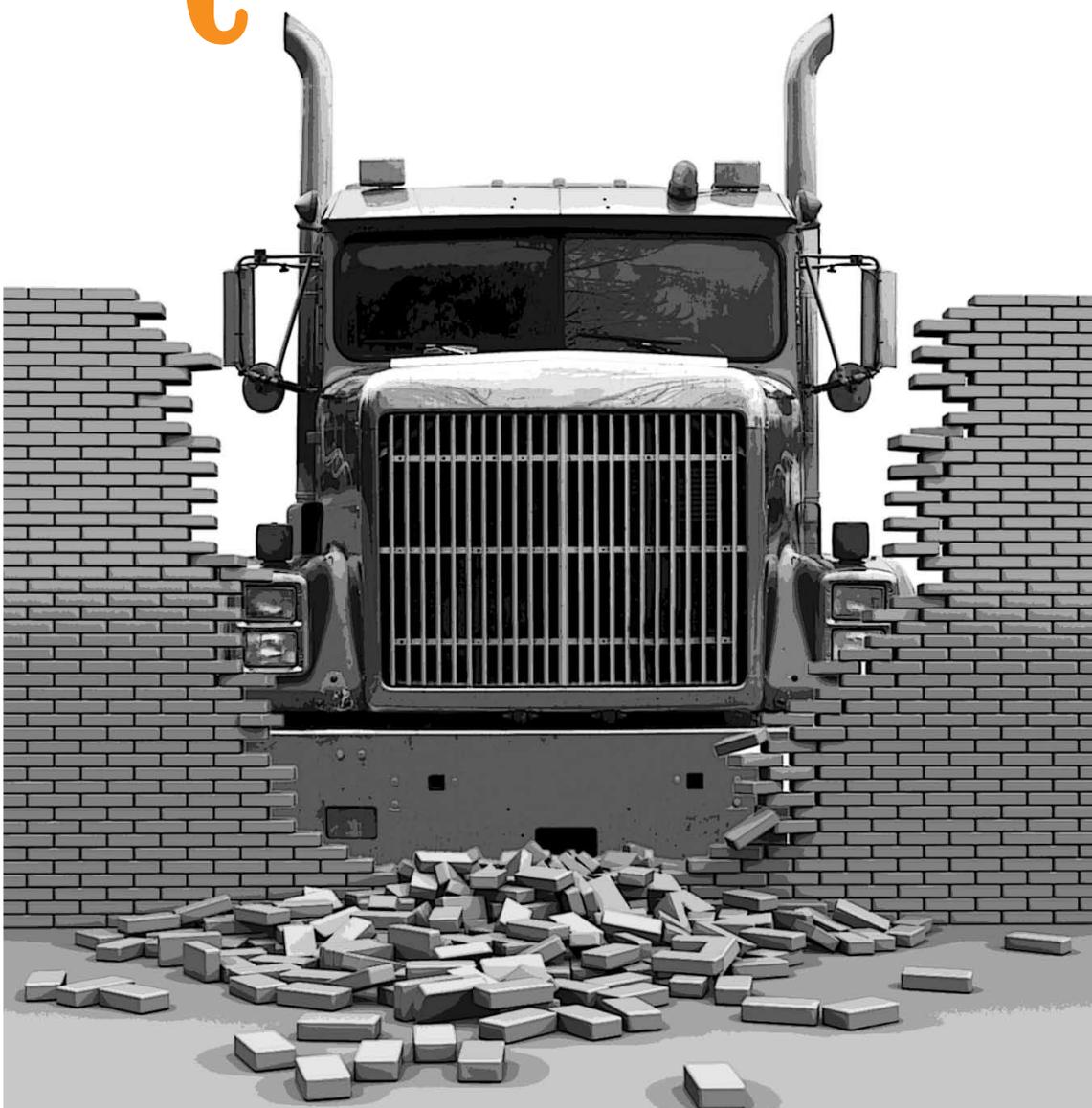
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EMPLOYMENT

ONE MODEL FOR BREAKING DOWN BARRIERS



Sargent Shriver National Center on Poverty Law



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More necessary than ever in the face of the loss of wealth in communities of color is to create opportunities and facilitate the economic engagement of young people in their communities. Lawyers, community development professionals, and youth advocates all can help low-income youths tackle the increasing employment, education, and wealth gaps in their communities. One way to achieve higher rates of youth employment, development, and asset building is for youths to create their own jobs through entrepreneurship. For youths to have the skills, social networks, and support to build their own organizations and businesses, they need assistance from a range of professionals and advocates.

Here I focus on youth entrepreneurship legal services as a way for community economic development (CED) lawyers to be active in building assets and fostering needed youth development in low-income communities. Youth entrepreneurship legal services involve legal assistance to youth entrepreneurs, to organizations that promote entrepreneurship, and to youth social ventures. By detailing one particular case of a youth entrepreneurship legal services project, Youth Entrepreneurship Initiative, I explore two different models of providing legal services to youth entrepreneurs: a collaborative model and a client model. I identify the many ways that CED lawyers can help youth entrepreneurs create employment options, and I point out the need for more focus on this emerging legal services area.

The Problem of Youth Unemployment

Young people started being driven out of the labor market long before the current recession and are at risk of not being able to break back in, but “[t]he country cannot allow a generation of young people to fall out of the economy.”¹ Only 32.7 percent of youths 16 to 19 were employed during the summer months of 2008. This rate of youth

¹*Even Worse for Teens*, *NEW YORK TIMES*, Dec. 8, 2008, at A28, www.nytimes.com/2008/12/08/opinion/08mon3.html.

employment marks a sixty-year low.² As the national economy continues to contract, projections for youth employment in 2009 are even lower.³ Not all youths have the same employment prospects. Racial inequalities and household income inequalities have a direct impact on employment rates.⁴ White and Asian youths are more likely to be employed than black and Hispanic youths.⁵ The greatest predictor of youth employment is family income. Youth employment rates increase with higher family income, except for a slight decline in the highest yearly household income bracket of \$150,000.⁶ As these patterns indicate, low-income black and Hispanic youths are the least likely to be employed.⁷

Youth unemployment affects not only individual youths but also their families and their communities. Young people's unemployment is a major problem for workforce development, youth development, and overall economic prosperity. Unemployed youths are more likely to drop out of high school, lack employability skills and employment track record to gain early entry into the formal labor market, and earn less over the course of their working lives.⁸ The relationship between work and school is even greater

for young people living in low-income communities. Employment demonstrates the need for academic skills; this makes school more relevant and staying in school more essential.⁹ Moreover, employment provides many young people with income, which low-income youths and their families particularly need.

A complex problem, youth unemployment calls for multiple approaches to the current economic crises. One vital tool in developing greater levels of youth employment is for young people to create their own jobs. Youth entrepreneurship is a strategy for job creation and economic development in the communities where young people live.¹⁰

Youth Entrepreneurship—A Strategy

Youth entrepreneurship is a growing area in the fields of youth and community development. With its potential for job creation, youth entrepreneurship education enables young people to gain critical financial literacy, leadership, communication, math skills, and a sense of self-empowerment.¹¹ By assessing community needs, identifying resources, developing plans, communicating those plans orally and in writing, and moving from good

²Andrew Sum et al., Center for Labor Market Studies, Northeastern University, *The Historically Low Summer and Year Round 2008 Teen Employment Rate: The Case for An Immediate National Public Policy Response to Create Jobs for the Nation's Youth*, (2008), www.clms.neu.edu/publication/documents/The_Historically_Low_Summer_2008_Teen_Employment_Rate.pdf; Campaign for Youth, *Our Youth, Our Economy, Our Future: A National Investment Strategy for Disconnected Youth* (n.d.), www.campaignforyouth.org/default/documents/cfy_full.pdf; Erik Eckholm, *Working Poor and Young Hit Hard in Downturn*, *NEW YORK TIMES*, Nov. 9, 2008, at A26, http://www.nytimes.com/2008/11/09/us/09young.html?_r=2&ei=5070&emc=eta1&oref=slogin.

³Eckholm, *supra* note 2.

⁴Bureau of Labor Statistics, U.S. Department of Labor, *Unemployment Among Youth, Summer 2008* (Aug. 29, 2008), www.bls.gov/opub/ted/2008/aug/wk4/art05.htm ("The July 2008 unemployment rates for young men (15.0 percent), women (12.8 percent), whites (12.3 percent), blacks (24.8 percent), and Hispanics (16.0 percent) increased from a year earlier. The jobless rate for Asians (8.4 percent) was about unchanged from July 2007.").

⁵*Id.*

⁶Sum et al., *supra* note 2; THOMAS M SHAPIRO, *THE HIDDEN COST OF BEING AFRICAN-AMERICAN: HOW WEALTH PERPETUATES INEQUALITY* 60–62 (2004).

⁷Andrew Sum et al., Center for Labor Market Studies, Northeastern University, *The Collapse of the National Teen Job Market and the Case for an Immediate Summer and Year Round Youth Jobs Creation Program* (2008), www.clms.neu.edu/publication/documents/The_Case_for_Job_Creation_Program_for_the_Nations_Teens.pdf.

⁸*Id.* at 4.

⁹*Id.* at 7–8.

¹⁰See, e.g., Youth Entrepreneurship Strategy Group, Aspen Institute, www.aspeninstitute.org/policy-work/youth-entrepreneurship-strategy-group.

¹¹Youth Entrepreneurship Study Group, Aspen Institute, *Youth Entrepreneurship Education in America: A Policymaker's Action Guide 15* [(2008)], http://staging.aspeninstitute.org/sites/default/files/content/docs/pubs/YESG_Policy_Guide.pdf.

plans to implementation, youth entrepreneurs become critical thinkers who are more engaged in their communities. Youths learn that they have options.¹² Youths creating jobs that lead to their own employment build wealth in communities.¹³

Internationally and nationally, youth entrepreneurship is building momentum as a CED strategy. By using the assets such as enthusiasm, openness to new ideas, and sophistication with technology that youths generally bring to business development, youth entrepreneurship integrates young people into the economic development of their own communities. The second annual Global Youth Enterprise Conference in 2008 brought together CED and youth development practitioners, funders, government officials, business people, and youth entrepreneurs from fifty countries to share the best practices of developing and operating youth entrepreneurship technical assistance services. The conference was a venue for participants to learn from youth entrepreneurs themselves.¹⁴ Large development organizations such as the United Nations, the International Labour Organization, and the World Bank have partnered to gather and create policies and tools that promote youth entrepreneurship.¹⁵

Throughout the United States, various organizations have been promoting youth enterprise as a component of American competitiveness in the global economy. Youth enterprise is also a proven means of engaging and reconnecting youth with schools by making academic curricula

more relevant to young people. The Aspen Institute's Youth Entrepreneurship Strategy (YES) Group is building a national policy agenda for the successful integration of entrepreneurship education into the public education curricula. YES promotes youth entrepreneurship to deal with high school dropout rates, workforce development, youth engagement, and community development.¹⁶ During National Entrepreneurship Week (the last week of every February), the Consortium for Entrepreneurship Education promotes greater awareness about the innovative potential of youth entrepreneurship education and enterprise development.¹⁷

Policymakers, teachers, and economic development professionals recognize youth entrepreneurship as a tool to promote high school completion, instill critical thinking skills, and build assets in low-income communities. However, for youths to develop and grow their businesses, they need access to business education, financial literacy, supportive adults, financial resources, and business legal services.

Indispensable Legal Services

Starting a business is daunting without legal assistance; turning a great idea into a viable business can be challenging. Choice of entity, licenses, permits, contracts, and intellectual property protection are legal issues that can hinder entrepreneurial endeavors.¹⁸ Low-income entrepreneurs often lack access to legal help to overcome these barriers. Howev-

¹²*Id.*

¹³*Id.* at 17.

¹⁴Making Cents International, Youth Microenterprise and Livelihoods: State of the Field— Lessons from the 2007 Global Youth Microenterprise Conference [(2008)], www.youthenterpriseconference.org/SiteManager/CuteEditor_Files/uploads/2008Docs/MakingCentsInternationalYouthEnterpriseLivelihoodsPublication_02_11_08vF.pdf.

¹⁵See International Labour Organization, Youth Entrepreneurship (n.d.), www.oit.org/dyn/empent/empent.Portal?p_prog=S&p_subprog=YE.

¹⁶Youth Entrepreneurship Strategy Group, *supra* note 10.

¹⁷For more about this event, see Consortium for Entrepreneurship Education, National Entrepreneurship Week, www.nationaleweek.org.

¹⁸Susan R. Jones, *Symposium: Current Issues in Community Economic Development: Supporting Urban Entrepreneurs: Law, Policy, and the Role of Lawyers in Small Business Development*, 30 WESTERN NEW ENGLAND LAW REVIEW 71, 89–90 (2007); Laurie Hauber, *Symposium Article: Promoting Economic Justice Through Transactional Community-Centered Lawyering*, 27 ST. LOUIS UNIVERSITY PUBLIC LAW REVIEW 3, 14 (2007).

er, during the last twenty years, a network of small business clinics and pro bono legal services has developed to help them.¹⁹

Legal assistance is a crucial part of developing self-employment options and businesses in low-income communities.²⁰ Business ownership by low-income and minority residents in the community helps sustain economic development.²¹

For lack of capital, training, and social networks to build the resources necessary to create and sustain businesses, low-income youth entrepreneurs face even greater challenges to business development and growth than their older counterparts.²² Legal services can help youth entrepreneurs launch businesses to maximize their unique, if limited, resources.

Youth Entrepreneurship Legal Services

Youths overwhelmingly want to be their own bosses; almost 60 percent of them say they want to have their own business someday.²³ The stories of low-income youths who are working to transform their dreams into realities encourage CED lawyers to help them reach their goals.

For example, Kendra, 20, has always had a knack for fashion. Since middle school, she has enjoyed creating designs and made T-shirts for friends. She started with a talent and attended a high school for fashion design. She is now in community college for fashion design, works two jobs, and continues to pursue her passion through a youth entrepreneurship organization. She dreams of having her own store within the next three years and contributing to the economic vitality of her community.

Jermaine, 16, knows that people tend to listen to others who are their own age. He sees this reality as an opportunity to influence the way his peers think about their power to change their communities. He and some of his friends organize youth events and parties that spotlight and raise funds for local youth organizations. He is also training his peers in event planning and promotions. He knows that his activities could translate into a more formal organization and is one of many young people in Baltimore working to grow Peer 2 Peer Youth Enterprises, employing young people to teach skills to their cohorts.²⁴

Jermaine and Kendra share a passion for their ideas, a belief in their ability to bring them to life, and the hope that others will help them launch their own businesses and organizations. They are not afraid of the challenges of starting something new. They simply need the assistance of CED professionals and supportive adults and the financing to help them realize their dreams. CED lawyers can guide and advise youth entrepreneurs.

In 2001 the American Bar Association identified youth entrepreneurship legal services as an unmet legal need, and this continues to be an area that needs greater attention. By targeting youth entrepreneurs, lawyers can provide business legal education and legal counsel empowering young people to succeed.

Youth Entrepreneurship Initiative

The Youth Entrepreneurship Initiative (YEI) is an example of a youth entrepreneurship legal services project. I founded YEI in 2007 as a Skadden Fellowship

¹⁹Susan R. Jones, *Small Business and Community Economic Development: Transactional Lawyering for Social Change and Economic Justice*, 4 CLINICAL LAW REVIEW 195, 200–202 (1997).

²⁰Scott L. Cummings, *Community Economic Development as Progressive Politics: Toward a Grassroots Movement for Economic Justice*, 54 STANFORD LAW REVIEW 399, 403–4 (2001). See also the special issue on “Economic Development Strategies for Individuals and Communities,” 37 CLEARINGHOUSE REVIEW 123 (July–Aug. 2003).

²¹Robert Suggs, *Bringing Small Business Development to Urban Neighborhoods*, 30 HARVARD CIVIL RIGHTS–CIVIL LIBERTIES LAW REVIEW 487, 503 (1995).

²²See my *Expanding Opportunities for Low-income Youth: Making Space for Youth Entrepreneurship Legal Services*, 18 JOURNAL OF AFFORDABLE HOUSING AND COMMUNITY DEVELOPMENT LAW 3 (2009).

²³Junior Achievement, Junior Achievement’s 2008 “Teens and Entrepreneurship” Poll (Nov. 17, 2008), www.ja.org/files/polls/entrepreneurship_2008.pdf. The percentage of teens who want to own a business marks a 7 percent decline from the previous year (*id.*).

²⁴For more information, see Peer 2 Peer Youth Enterprises, <http://p2pyouthenterprises.org>.

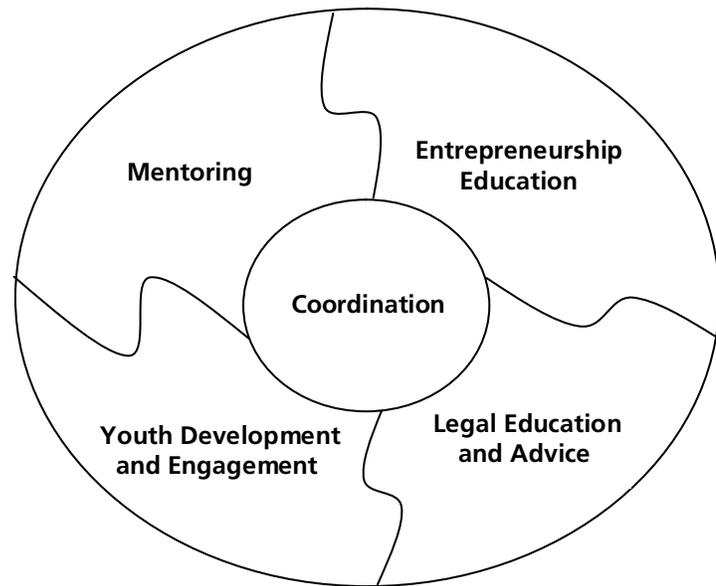
project at the Community Law Center in Baltimore, Maryland.²⁵ YEI provides legal education and legal services to low-income youths who are or aspire to be entrepreneurs. YEI serves youth organizations that support youth entrepreneurs. YEI targets people 14 to 24 who live in Baltimore.

YEI uses two models of providing legal services: a collaboration model and a client model. YEI serves as the CED lawyer in both models. The collaboration model focuses on building the knowledge and capabilities of youths who want to become entrepreneurs, and the client model serves and supports youth entrepreneurs and youth organizations.

The collaboration model involves a CED lawyer who works with youth development professionals, community organizations, and technical assistance providers to coordinate holistic entrepreneurship education and enterprise development services for youth. As with any collaborative model, YEI could not perform its function without the contributions of other organizations. The figure on this page is a representation of the collaboration model. In the collaboration model, YEI is one part of the larger picture of youth entrepreneurship education and support for youth ventures.

YEI implements the collaboration model in two different situations. The first scenario involves working principally with a community association to determine the structure and implementation of collaborative youth entrepreneurship education and technical assistance. The collaborators are a youth entrepreneurship education organization, a small business technical assistance provider, the community association, and YEI. For YEI, the community settings for the collaboration are neighborhood recreation centers. The objective is to expose youths to the idea of entrepreneurship as a career possibility in a community-based setting. Participants attend a weekly series of youth entrepreneurship education sessions at neighborhood recreation centers. YEI coordinates the collaboration

Collaboration Model



and facilitates dialogue. The CED lawyer brings together the recreation center staff, the community association representative, the youth entrepreneurship education organization, and the small business technical assistance provider to determine the class schedule, available resources, and youths interested in the program.

In the second scenario, the client model, YEI works with a youth entrepreneurship organization. YEI provides the business legal education and legal counsel for aspiring youth entrepreneurs to start their own businesses. YEI developed a workshop series, entitled “Getting YOURS the Right Way,” in collaboration with YOURS (Youth Organizing Urban Revitalization Systems), a nonprofit youth entrepreneurship organization. Getting YOURS the Right Way is a business legal education and brief-advice model. Youth entrepreneurs biweekly learn business law basics by starting with a simple business question. For example, the question “What is your product/service?” begins a discussion about licenses and permits to sell a particular product or service. Using the participants’ own business ideas, the sessions teach basic business

²⁵The Community Law Center is a legal services organization with the mission of providing legal services and technical assistance to improve the quality of life and economic viability of communities.

law concepts such as choice of entity and why choice of entity is key to starting and growing a business. Through individual brief-advice sessions, participants receive legal advice during business planning. The CED lawyer explains how the law applies to entrepreneurship.

In the client model the CED lawyer provides business legal services to youth entrepreneurs, youth organizations, and youth social ventures. While similar to small business and nonprofit legal services, youth entrepreneurship legal services center more on the unique talents and social circumstances of young people. In the attorney-client relationship the CED lawyer drafts organizational documents, reviews bylaws and contracts, and informs clients of their obligations as an employer. The CED lawyer not only explains to youth entrepreneurs their options for business entity formation but also helps develop a structure that has a supportive adult with authority to sign all business documents.

Since youth entrepreneurs generally have less exposure to the social and professional networks that seed and grow businesses, the CED lawyer can extend social capital to youth entrepreneurs by connecting them to business and professional contacts; this builds the youth entrepreneur's resources. By informing young people of local resources such as small business planning classes and youth grants, the CED lawyer helps build resources available to youth entrepreneurs. By connecting young people to other professionals and building business resources, the CED lawyer serves as a mentor.

The two models highlight youth development and community development goals in different ways. With both models, youth entrepreneurship legal services, as in small-business legal services generally, require a collaborative and interdisciplinary approach to providing legal services. The collaboration model focuses more on bringing greater community and youth development resources and institutions to bear on assisting youth in gaining entrepreneurial skills. In the cli-

ent model, youth entrepreneurs become more connected to resources that facilitate business development and help them navigate the legal landscape of business development and growth. The CED lawyer plays multiple roles—coordinator, facilitator, educator, transactional lawyer, connector, resource builder, and mentor.

More Resources and Support

Youth unemployment and its potential long-term effect on wages and economic opportunities constitute a growing social problem that deserves greater attention among legal practitioners, scholars, policymakers, and youth advocates. A comprehensive strategy to solve this problem is urgently needed, particularly for low-income youths who are most at risk of being unemployed. Youth self-employment through entrepreneurship is one piece of a holistic strategy to meet the problem head-on.

For more low-income youths to build their own organizations and businesses successfully, they need access to a diverse skill set and a group of mentors and technical assistance providers. YEI demonstrates one model of providing a range of youth entrepreneurship legal services. Since this field of CED lawyering is relatively new and in need of expansion, more work in this area will bring different models to the forefront. This emerging legal services area has the potential to expand CED lawyering to cover youth as contributors to the economic development of their communities and thus resolve a national problem.

Fostering the development of community institutions that are owned by residents in low-income communities is at CED's heart. Supporting low-income youths who are creating these institutions in their own communities is essential to expanding CED efforts. Many youths are interested in entrepreneurship, but they need more resources and support to achieve their dreams. Youth entrepreneurship legal services bring CED lawyers into helping youths build skills, create their own jobs, and contribute to their communities.

COMMENTS?

We invite you to fill out the comment form at <http://tinyurl.com/MayJuneSurvey>. Thank you.

—The Editors

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