

mind when we come to the floor to fight for fewer regulations, a lower tax burden, and more affordable and accessible health insurance for small businesses and their employees.

#### COMBATTING VIOLENCE WITH JOBS FOR YOUTH

Mr. KENNEDY. Mr. President, a recent op-ed article in the Boston Globe emphasizes the severity of the employment problems facing today's youth and its relationship to the increase in gang and gun-related violence in the Nation's cities.

Easy access to guns and other dangerous weapons and the shameful prevalence of drugs are major contributors to this problem, but so too is the lack of job opportunities available for our youth. We have failed to develop job programs that will help these youths build a future without guns and gangs.

In the Globe piece, William Spring, the distinguished former vice president of the Federal Reserve Bank of Boston and a senior member of the domestic policy staff in the Carter administration, and Andrew Sum of Northeastern's Center for Labor Market Studies, argue that although we face a very real problem with youth unemployment, we can do something constructive about it. The only question is whether we have the will and the wisdom to make the investments necessary to enable our youth to seek, find, and take advantage of the job opportunities that can transform their lives and make our communities safer and stronger.

I believe the article will be of interest to all of us in Congress, and I ask unanimous consent that it be printed in the RECORD.

[From the Boston Globe, Apr. 5, 2007]

#### COMBATTING VIOLENCE WITH JOBS FOR YOUTHS

(By William Spring and Andrew Sum)

During the past few weeks, attention has been focused on the rise in fatal shootings and gang-related activities in Boston. Governor Deval Patrick and Boston Mayor Thomas Menino recently announced joint efforts to combat gang violence, including an expansion in youth summer jobs. Renewed public policy attention to youth labor market problems in Boston and the state is clearly warranted. While the overall number of jobs has increased over the past few years, the labor market for teenagers in both the nation and state has remained extraordinarily weak.

Employment rates for the nation's and state's teens (age 16-19) in 2005 and 2006 were the lowest in the past 50 years. Male high school students and dropouts across the state have found it particularly difficult to find work over the past six years, often increasing their involvement in gang and criminal activities.

To make matters worse, job opportunities for high school youths are distributed unevenly across key demographic and socioeconomic groups. In 2005, white high school youths were twice as likely to work as black youths and 40 percent more likely than His-

panic youths. The need for a concerted set of public policy responses both short-term and long-term is needed.

A variety of favorable educational, social, and labor market outcomes can be generated from an expansion of in-school work opportunities for high school students, especially those from race-ethnic minority and low-income groups.

National research has shown that minority and low-income youths who work in high school are less likely to drop out than their peers who do not work. Students with jobs that offer work-based learning opportunities are more likely to see the relevance of school curriculum to future job performance and remain more committed to their school work.

Teenage women who live in local areas that provide more job opportunities to them are less likely to become pregnant, and male teens are less likely to become involved with the criminal justice system. National, state, and local research also consistently reveals that work in high school facilitates the transition to the labor market upon graduation and increases the annual earnings of youth in their late teens and early 20s.

There are a variety of workforce development strategies that can be pursued to boost employment opportunities for high school students during the regular school year and the summer.

First, the hiring of professional staff to work with students and employers to create work-based learning opportunities, paid internships, and regular job opportunities is important, especially for youth from low-income families and those whose parents do not work. Job brokering services of these career specialists also can broaden the range of jobs by industry and occupation to which high school students can be exposed.

At a minimum, maintaining last year's increased funding for the existing Connecting Activities Program at \$7 million can help local Workforce Investment Boards increase the hiring of staff to work with students and employers to improve teen job prospects. The governor and Legislature should jointly support an increase in funding for such connecting activities and demand strong accountability for performance.

Second, employers who provide work-based learning opportunities and wages for students in school-to-career programs should receive tax credits for their hiring and training of high school students. Many employers provide important staff support and in-kind contributions to such programs and should be rewarded for their efforts.

Third, the governor should encourage all state agencies to promote the hiring of high school students during the summer months, and more of the state's mayors and town managers should follow the lead of Menino in promoting the hiring of their high school students by the private sector.

Fourth, the state should adopt a youth apprenticeship program similar to that of the state of Wisconsin's and more aggressively promote apprenticeship training under the existing system in our state. Young workers in Wisconsin can receive youth apprenticeship training in up to 21 occupational fields under the state's system, thereby providing employers with access to young skilled workers in a structured work/training system.

Massachusetts should aim to become a national leader in both the employment and training of its high school students and out-of-school youth. A more successful youth employment and training system can help promote the future growth and quality of

our state's resident labor force and help stem high levels of out-migration.

#### REFORMING THE STUDENT LOAN INDUSTRY

Mr. KENNEDY. Mr. President, a column by Joe Nocera from last Saturday's New York Times contains an excellent analysis of the student loan industry and the recent sale of Sallie Mae. We often hear about the rising cost of college and the debt that so many students shoulder to attend college. As this article emphasizes, the industry reaps enormous profits by forcing students to burden themselves with excessive debt.

The recent sale of Sallie Mae illustrates the problem. The company, the largest player in the industry, was purchased earlier this month by private equity firms and banks for an incredible \$25 billion, 50 percent premium over Sallie Mae's stock price.

Financial specialists know how profitable lenders such as Sallie Mae are because of the large Government subsidies these companies receive—subsidies of more than a billion dollars last year. As Congress moves forward with reauthorizing the Higher Education Act, we must look closely at this industry and its practices to ensure that America's students are the ones being served, not just the bottom lines of America's lenders.

Mr. Nocera, a Times' business columnist and former editorial director of Fortune magazine, is widely respected and has won numerous awards for excellence in business journalism. I believe his column will be of interest to all of us in Congress, as we consider the reauthorization of the Higher Education Act, and I ask unanimous consent that his article, "Sallie Mae Offers a Lesson in Cashing In," be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 21, 2007]

#### SALLIE MAE OFFERS A LESSON ON CASHING IN

(By Joe Nocera)

Aren't you just fuming about that Sallie Mae deal?

The company, formally known as the SLM Corporation, which has been the subject of recent exposés and investigations, announced this week that it had agreed to be taken private in a deal worth \$25 billion. The stock, which has been in a slow decline over the last year, leapt. The market was pleased.

But I'm here to tell you that the deal stinks, though not in the usual "management and private equity are stealing your company" kind of way. You're free to disagree, of course, though if you do, you're probably not struggling to put your children through college.

Sallie Mae is the nation's largest student lender; indeed, it dominates the business. It has the biggest share of government-guaranteed loans, originating \$16 billion of such loans last year alone. In 2006, it also generated \$7.4 billion in "private" loans: that is,