



Three Questions to Ask if You're Serious about Jobs for Youth

Nonprofits and philanthropy must work closely with employers to prepare young people for jobs

By Willa Seldon and John Irons

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Youth unemployment is one of those issues that can seem intractable. Nonprofits and their government and philanthropic partners who seek to tackle the issue face a very tough challenge.

Despite considerable public and private effort, the percentage of unemployed 16 to 24 year olds has continued to ratchet up. In 2010, during the Great Recession, the youth unemployment rate hit 18.4 percent,¹ its highest level since World War II. Compared to adult employment, youth employment historically is less likely to recover when the economy starts growing—failing to reach its pre-recession level after six of the last 10 recessions.²

Even one year without a job takes a heavy toll on a young person's economic future. Consider two males with the same education, place of residence, and family background. If one spends a year unemployed before the age of 23, 10 years later he can expect to earn 23 percent less than the other. For females, the gap 10 years out is 16 percent.³

Overall, 14 million youth—more than one-third of all 16 to 24 year olds in the United States—face employment challenges.⁴ Of this total, nearly seven million lack a college degree and are out of school and out of work, five million are only able to work or study part time, and almost two million are employed in positions that do not draw on their formal education.⁵ Of the nearly seven million youth who are disconnected from work and school, about 40 percent come from families living below the poverty line, and a disproportionate number are black and Latino.⁶

Government and philanthropy spend \$7 billion a year on programs and initiatives related to youth employment, most of it focused on education and job training programs run by nonprofits. It is vital that we continue to invest to equip young people with the knowledge and skills to participate fully in the modern economy, and these efforts must be closely aligned with employer needs—something that is not happening often enough. Employers have the jobs, and real progress in reducing youth unemployment is most likely to come by focusing as much of the funding as possible on programs and initiatives that have a sharp focus on engaging employers in solutions. Employers themselves have a responsibility and a role to play in designing and supporting programs that lead to jobs for young people.

To learn more about promising efforts to achieve employer engagement, we recently conducted interviews with nonprofit organizations, foundations, and a selection of large employers. The organizations we chose to highlight were particularly focused on three key youth employment questions:

- Who are the employers most likely to hire youth in my region?
- How do I best engage them and make the business case for hiring young people?
- How do I tailor skills training to what employers really need?

Who are the employers most likely to hire youth in my region?

“The major problem driving youth unemployment is a lack of connection to the demand side of the economy,” explained Fred Dedrick, executive director of the National Fund for Workforce Solutions, an initiative of national and local funders that uses an employer engagement model to help low-wage workers advance. “There’s an enormous effort to help young people prepare to get work, but most organizations don’t understand the demand side of the economy in their community.”

Goodwill Industries of San Francisco, San Mateo, and Marin Counties is an example of an organization that is focusing on the demand side. Goodwill works with both adults and young people to find jobs in sectors with hiring opportunities, said Joshua Lachs, Goodwill’s chief of workforce development and community engagement. “We’re tracking placements to a particular industry,” he explained. “Part of it is looking at growth trajectories in specific sectors, and how many entry-level jobs and what kinds of skill sets these require. We need to know like the back of our hand which sectors are appropriate for our constituencies, and how do we get greater engagement not only with specific employers but whole sectors.”

By building relationships with a sector and understanding its needs, Goodwill can target a larger pool of entry-level jobs for the disadvantaged youth and adults it serves. For example, Goodwill identified the warehousing sector as a potentially good source of entry-level jobs and established a warehousing academy to teach specific skills. “We can provide transitional jobs to participants—six months of subsidized employment—while they’re learning,” said Lachs.

Within a sector, Goodwill also targets more specialized areas. “There’s a produce association that represents companies with a big need for more employees,” Lachs explained. So Goodwill designed a warehousing academy module around produce handling. “Once our graduates finish the program,” said Lachs, “we’ve got that pipeline into the produce association.”

Small business is often touted as a big source of entry-level jobs that might be open to young people with limited work experience. But Goodwill has chosen to focus on larger employers. It may take longer to secure these relationships, but the payoff is much bigger. Though companies with over 500 workers make up far less than 1 percent of all employers, they hire over 40 percent of youth with private-sector jobs.⁷

Targeting large firms also is a strategy adopted by Genesys Works, a nonprofit that helps inner-city high school students discover through meaningful work experience that they can succeed as professionals in the corporate world. The organization works with 16 to 19 year olds who are expected to stay in high school, graduate on time, and have a plan for after graduation. Already established in Houston, Chicago, and the Twin Cities, and in its first year in the Bay Area, Genesys Works has identified information technology departments in big companies as a source of entry-level jobs for young people. In 2011, the

organization had approximately 650 students in its program, more than double its size just two years earlier.

Philanthropy also can support an employer targeting strategy. In California, the James Irvine Foundation is investing in “Linked Learning,” which helps school districts integrate rigorous academics with sector-specific high school career education. Linked Learning offers high school “pathways” that align with 15 major industries in California, ranging from engineering to health sciences to digital media arts. The pathways combine college preparatory classes, technical skills and knowledge, work-based learning, and support services. The Linked Learning initiative currently serves about 13,000 students in nine California school districts. Over the next two years, it aims to more than double its reach. Recognizing the critical need to have employers at the table as these initiatives grow, the Irvine Foundation is investing in an extensive employer segmentation analysis. The analysis will look at industries and employers in select regions and districts, identifying large and growing employers that provide pathways to high-skilled, high-wage jobs and demonstrate interest in supporting education and youth. Using this analysis, Irvine hopes to help districts and regions build stronger connections with local employers who want to develop the youth labor market in their areas.

How do I present employers with the business case for hiring youth?

“Companies wonder, ‘What can a high schooler provide us?’ We work hard to transform the mindset around a high school internship for both corporate partners and students,” explained Rita Ebach, program director of Genesys Works Bay Area. The organization provides its young trainees with basic entry-level IT skills as well as professional skills so they can fit into the corporate environment and matches them to part-time positions with corporate partners during the trainees’ senior years. When Genesys Works talks to employers, said Ebach, “We won’t position it as a charity. That actually just perpetuates the stigma that high schoolers don’t have inherent value on their own as employees.” Instead, she explained, Genesys Works makes a business case for hiring young people with skills and an eagerness to learn. While Genesys charges companies for student placements, “our rates are much lower than what a contractor would charge for a level-one technician going in,” said Ebach. “Staff is also here to help support and deal with any personnel problems, so there is a bit of a safety net for hiring.”

When Genesys Works approaches an employer, it looks for the right place to open the conversation. “We don’t initiate conversations with HR departments, who might have concerns about hiring a minor,” explained Ebach. “If we go in through a chief information officer or other executive-level position, the pay for the youth employee comes out of that executive’s budget, so they are going to have to buy in. We also try to avoid working only with community outreach or community development departments. It is important for our students’ experiences that they are getting real work to do, not just getting a position that is nice to have for corporate social responsibility.”

Finally, Genesys understands that if it wants corporations to see it as a business partner, Genesys itself must be businesslike. “If you walked into our offices, you would think you are walking into a business, not a nonprofit,” said Ebach. “We need people who can go into a corporate environment and talk their language, so we look for staff who have a business background or some experience in the corporate or entrepreneurship worlds.” Like Genesys, most of the nonprofit providers interviewed sought out potential employees with a sales or business background who could relate to employers.

Goodwill’s Lachs described an organization that knows it needs to sell its services both as a community benefit and a business opportunity: “We say to employers, ‘We want to know what skills and competencies you need now and in the future.’ Getting that feedback and integrating it into our job training builds the organization’s credibility with employers and creates a pipeline of potential employees.” Goodwill uses workforce development councils to more systematically engage employers. In addition to giving feedback on their needs, employers might come in and teach training modules, allowing them to meet potential employees face-to-face and become more invested in the effort to give someone his or her first real chance at a job and a career.

How do I tailor skills training to what employers really need?

“Let’s be honest about what’s going to work. To do that, it’s important to talk to employers,” said Gail Gershon, executive director of Community Leadership of the Gap Foundation. Describing the Gap’s partnership with one nonprofit on youth employment, Gershon explained, “When we started it, they had an existing job readiness program. We took the curriculum to a store manager and asked if the skills would be useful. The training team added eight topics that weren’t covered—things like conflict resolution, customer service, making smart decisions for the long term, even if that means short-term sacrifices. It’s a very real world, and the nonprofit hadn’t thought about putting that in the curriculum. If an employer could equip nonprofits working with youth with feedback on how to improve their curriculum for the real world, that would be really valuable.”

Tailoring training and support services to the “real world” is also a core strategy of the nonprofit MY TURN Inc., which works with 800 socially and educationally disadvantaged youth each year in seven small cities in Massachusetts and New Hampshire. The agency uses its local knowledge to tailor services to employer needs. When MY TURN discovered that a boatyard near some of the communities it serves needed people to repair boats and do other work in the facility, the organization partnered with a marine transit association to develop a training program. The boatyard, which had an aging workforce and was eager to find new workers with the right skills, began hiring the youth right out of the training program. Barbara Duffy, MY TURN’s former CEO and now member of its board, explained that the agency’s highly customized training strategy helped young people get good-paying jobs in a small, local industry that might otherwise have fallen under the radar.

Listening to employer feedback allows MY TURN to refine its programs. “We often added things in response to employer feedback about why a kid didn’t get a job,” said Duffy. “For example, we found out that some kids weren’t getting jobs because they didn’t have OSHA training,” a government requirement to improve job safety. By providing the level of training that the federal agency recommended, MY TURN helped the youth in its program become more attractive to potential employers.

In looking for its own competitive advantage, MY TURN found that in addition to training, its 12 months of follow-up work after a participant was hired could be a big plus for employers. “We are able to help sort through challenges that otherwise might have caused the youth to lose the job,” explained Duffy. She told the story of a young person who had been doing a great job, then started coming in late without an excuse. A MY TURN staff person talked to the youth, and it turned out he was taking his mother to chemotherapy in the mornings but was embarrassed or scared to tell his boss. Duffy said that for employers, the extra support “reduces the risk they see in taking on someone from this population. A lot of what we’re doing is trying to change their perceptions about young people today.”

The National Fund for Workforce Solutions is supporting local and regional partnerships between nonprofits and employers across the country to ensure a similar tailoring of nonprofit services to employer needs. Said the National Fund’s Dedrick, “The industry partnership helps us understand exactly what companies need. It allows us to go back to training partners and community organizations and say, ‘This is the kind of skill set this person needs to be successful.’” The partnerships engage employers in a variety of ways: involving frontline supervisors and workers in needs assessments, partnering with employer associations, investing in data collection on employer outcomes to demonstrate the workforce partnership’s effectiveness, and working with employers to demonstrate the community benefit of the workforce partnership. The most recent annual evaluation report of the National Fund⁸ suggests growing demand for this kind of engagement activity. The number of local and regional industry partnerships has grown steadily from 35 in 2008 to 124 in 2011, with more than 3,000 employers served.

There aren’t enough programs for every disconnected young person

Goodwill, Genesys Works, MY TURN, and the National Fund for Workforce Solutions are among a group of organizations that are leading the way in employer engagement. They seek to identify and engage employers most likely to have jobs for youth, and provide a set of training, coaching, and follow-up services to meet their needs. Foundations also have a role to play. They can help develop data, build nonprofit capacity, and advocate for partnership opportunities. But with millions of unemployed youth, there will never be enough slots in high-quality programs to meet the need. Other opportunities for changing the system also should be explored.

Especially important is the question of how young people without much work experience are able to present themselves to potential employers. In the last

decade, recruiting practices, especially for entry-level jobs, have changed dramatically. Online job postings have led to a proliferation of applications that employers sort through using imperfect search methods. These methods bias the system against youth with limited work experience, reducing the opportunity for personal interaction and discouraging young job seekers, who may submit many applications online with little likelihood of response from employers. No amount of skill building on how to write a resume or conduct yourself in a job interview is going to entirely overcome this growing barrier.

One systems-change tool with real potential to improve these impersonal assessment systems is WorkKeys from ACT (best known for the ACT Test), a series of tests that measure employment skills and offer specialized assessments to target employer needs. Thus far, more than one million people have earned a National Career Readiness Certificate by completing multiple WorkKeys assessments. More widespread adoption and recognition of WorkKeys-type assessments could help more youth communicate their value to employers, and at the same time, could help employers improve their recruiting and retention.

One example of WorkKeys in use (in this case paired with a training and apprenticeship program) is Inova Health System, a nonprofit healthcare system of hospitals, nursing homes, and urgent care centers in northern Virginia. The organization was getting more than 300 applications a day for its 500 Care Team Assistant and Clinical Technician positions. Yet annual turnover exceeded 50 percent, a sign that its hiring and assessment systems were not working. Inova reports that WorkKeys has helped its recruiters identify candidates whose skills best match the two positions, often good entry-level positions for young people, and that “turnover is down to nil.”⁹

Finally, increasing job opportunities for disadvantaged youth will not only require corporate engagement but also *corporate leadership*. Many employers believe this as well, seeing a strong connection between what they do to make a better company and what they do to make a better world. As the Gaps’ Gershon said of her company’s commitment to youth who are disconnected from school and work: “We take a long-term view. Looking at this challenged group of young people, our point of view is we’re not going to have new customers buying clothes if they don’t have a paycheck.”

Though the ongoing employment crisis facing millions of young Americans defies an easy fix, the organizations we interviewed provide examples of how nonprofits, foundations, and government can work more effectively with employers to connect young people with meaningful work.

Notes

- 1 The average rate of seasonally adjusted unemployment from January to December 2010, based on data from the US Bureau of Labor Statistics.
- 2 Bridgespan analysis of Current Population Survey Data from 1948 to 2012 from the US Bureau of Labor Statistics (employment) and the National Bureau of Economic Research (length and timing of recessions).
- 3 Paul Gregg and Emma Tominey, "The Wage Scar from Youth Unemployment," CMPO Working Paper Series, no. 04/097 (2004): 15.
- 4 For this research we defined an "employment challenge" as: 1) neither working nor studying (disconnected), 2) working or studying only part time (loosely connected), 3) unemployed college grads, and 4) mal-employed youth.
- 5 Sources for this information included:
(Disconnected/loosely connected data) Clive R. Belfield, et al. "The economic value of opportunity youth," Civic Enterprises, Washington, DC (January 2012): 7.
(Unemployed college grads) "Understanding the economy: Unemployment among young workers," US Joint Economic Committee, Washington, DC (May 2010): 4.
US Census Bureau Current Population Survey (2012).
(Mal-employed) Andrew Sum, "The deterioration in the labor market fortunes of America's young adults during the lost decade of 2000-2010," Children's Defense Fund, Policy Brief #2, Washington, DC (July 2011): 4.
- 6 Sarah Burd-Sharps and Kristen Lewis, "One in seven: Ranking youth disconnection in the 25 largest metro areas," *Measure of America*, New York (2012): 4.
- 7 Employer data from the US Census, Statistics of US Businesses 2010; employment data from US Small Business Administration, 2011 Small Business Data Tables, Table A.14
- 8 National Fund for Workforce Solutions, Year IV Evaluation, Data Brief (2012).
- 9 ACT WorkKeys, "Case studies: Inova Health System," <http://www.act.org/workforce/case/inova.html>.

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