

MAKING Youth Employment WORK:

Essential Elements for a Successful Strategy



U.S. CHAMBER OF COMMERCE FOUNDATION
Center for Education and Workforce



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MAKING Youth Employment WORK:

Essential Elements for a Successful Strategy

*Young adults are solving key talent and business problems for U.S. employers.
Here are the secrets to their success.*



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TABLE OF CONTENTS

Introduction	2
The Competitive Advantages of Employing Young Adults	5
• Young Adult Workers Hold the Key to a Robust Talent Pipeline.....	5
• Young Adult Workers Fill Critical Skills Gaps.....	6
• Young Adult Workers Add to Workforce Diversity.....	7
• Young Adult Workers Help Drive New Ideas	8
Two Approaches to Youth Employment	9
• The Internal Approach: A company takes the lead in developing its own solution.....	9
• The Partnership Approach: A company finds strategic partners to help manage talent	11
Common Barriers and Essential Elements for Success	14
• Essential Element 1: Link your youth employment strategy to your business strategy and find champions	14
• Essential Element 2: Expand your talent sources.....	16
• Essential Element 3: Examine business policies that inhibit youth hiring.....	17
• Essential Element 4: Prioritize soft skill development.....	18
• Essential Element 5: Measure and improve over time.....	19
Concluding Thoughts	21
Employer Checklist	22
Appendix	23
• A Champion Grows a Youth Employment Initiative.....	23
• Power in Partnership: Permac Industries Collaborates to Close the Skills Gap.....	24
• State Street and Year Up Partner for Mutual Success	25
Acknowledgements	27



INTRODUCTION

In 2011, Medtronic knew it could economize by identifying unused IT equipment. But scouring equipment inventory spreadsheets, making comparisons, and checking on usage—all tasks required for such a review—is arduous and time-consuming. Enter Kachia, a high school senior. With enthusiasm for this entrée into the professional world, she attacked these tasks during her afternoon internship at Medtronic. As a result of Kachia's work in identifying decommissioned units and redundant entries, Medtronic saved substantially on its maintenance contract—to the tune of \$342,370.¹

This is just one example of the concrete benefits that young adults can bring to companies. Indeed, savvy business leaders are realizing revenue increases, cash savings, and tangible workforce improvements by tapping into the potential of 16- to 24-year-old workers. These companies span a range of industries—communications, manufacturing, retail, health care, government, and financial services—and vary in size from small local firms to global powerhouses. Their leaders report that investments in young adult workers pay off by addressing critical business problems in four important ways:

- **They create a robust pipeline of their company's next generation of talent.**
- **They fill critical skills gaps.**
- **They increase workforce diversity that enables greater customer connection.**
- **They spur innovation.**

Despite these considerable advantages, the potential of young adult workers seems to be a well-kept secret. While 40% of U.S. employers struggle to fill more than 5 million open jobs,² 6 million young adults are neither working nor in school. In December 2014, 16- to 19-year-olds faced an unemployment rate of 16.8% and 20- to 24-year-olds faced a rate of 10.8%, both far above the overall rate of 5.6%.³

1. "\$342K of Success at Medtronic," Genesys Works blog, April 2011.

<http://gwtc.blogspot.com/2011/04/342k-of-success-at-medtronic.html#more>

2. "Job Openings and Labor Turnover," U.S. Bureau of Labor Statistics news release, November 2014.

<http://www.bls.gov/news.release/pdf/jolts.pdf>

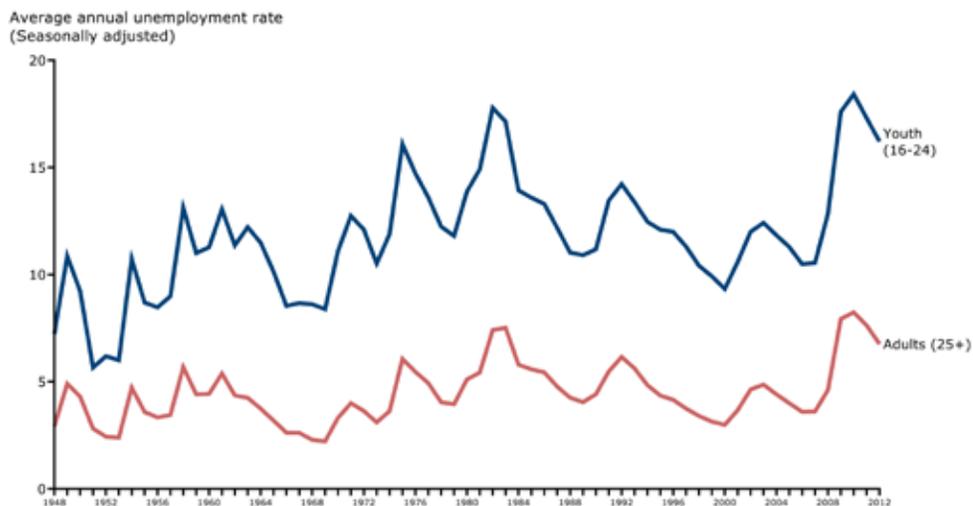
3. The youth unemployment rate for 16- to 19-year olds and 20- to 24-year-olds is as of the Bureau of Labor Statistics' January 2015 report.

<http://www.bls.gov/web/empsit/cpseea10.htm>

Overall rate is at <http://data.bls.gov/timeseries/LNS14000000>.

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Youth unemployment tracks macroeconomic trends



Note: Unemployment rates only reflect those unemployed who have actively looked for work in the prior 4 weeks and are currently available for work.

Source: Bureau of Labor Statistics; NBER

What has caused this mismatch? As employers adapt to an increasingly competitive economy, the disparity between what students are taught in the classroom and what they need to know to be successful in the workplace has widened alarmingly. This has created a stark skills gap; too many young adults lack the skills required to succeed in entry-level jobs on day one, according to a 2014 survey of employers.⁴ To make matters worse, as some companies have downsized over the past two decades, engaging and training young adults in the workforce became viewed as a nice-to-have idea at best and costly and risky at worst.

Left unchecked, the gap between the skills employers need and the skills young adults have will only continue to grow, as will the serious ramifications for the future profits and competitiveness of regional economies. In addition, research shows that if young adults do not get early work experience, they are likely to sustain permanent loss of lifetime income, and, consequently, dramatically lessen their contribution to the economy as taxpayers.

4. 2014 survey conducted by Penn Schoen Berland for the Rockefeller Foundation.



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Many employers want to develop a robust pipeline of young talent but report that they are not sure where to start. Indeed, our research revealed a striking gap between the high-level data on the problem and practical, concrete approaches for both employers and their partners.

For corporate readers, this paper highlights actionable ideas to consider in talent strategies. Industries currently experiencing growth—or projected to grow dramatically in coming years—might be particularly interested in incorporating youth as part of their long-term hiring plans.

For readers who represent nonprofits, educators, and other intermediaries working to solve the problem of youth unemployment, this paper explores the challenges that employers face and how to help bridge the gap between companies and the youth they could hire.

Through in-depth interviews and research, we have distilled two main approaches that companies are using to forge new and customized pathways of developing young talent: **(1) creating specific internal programs** and **(2) partnering with strategic nonprofits and external organizations**. We have also distilled five “essential elements” that can help a wider circle of employers create powerful youth talent pipelines and address barriers to onboarding young people, such as work inexperience and lack of soft skills.

It is not a matter of simply hiring more interns or about being a good corporate citizen. The U.S. Chamber of Commerce Foundation (USCCF) would argue that those approaches will not lead to the long-term significant changes necessary to overcome the nation’s skills gap. Rather, market-based youth employment strategies are needed. For young adults, real-world experience is critical to making better decisions about possible career pathways; for employers, youth employment initiatives develop the workforce required to grow their companies.

We hope companies will use these concrete ideas to advance their own strategies. But to be candid, the solutions that are working are still dramatically subscale relative to the problem—even doubling the number of companies that hire a few interns would not come close to solving the problem. To succeed, any effort to improve youth employment opportunities must focus on employers’ needs and address the full range of entry-level workforce opportunities. In turn, the employer community must fully engage—for its own continued success—to close America’s talent gap.

Note: The terms youth and young adults refer to 16- to 24-year-olds. Qualifying terms are put forth where a subset of that group is discussed, whether because of age or other demographics.

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THE COMPETITIVE ADVANTAGES OF EMPLOYING YOUNG ADULTS

Young adult workers hold the key to a robust talent pipeline

As baby boomers retire and Generation X workers move into leadership positions, companies need to develop young adult talent as a critical component of their workforce pipeline—particularly for entry-level positions. Increasingly, talent has become a key differentiator for companies in a hypercompetitive marketplace and in high-growth industries such as IT and health care. While many companies are not sure how to develop young adult talent, several companies are investing in youth to meet talent needs.

Fortune 50 company Caterpillar Inc. is one such business that is tackling this issue head-on. Caterpillar sees young adults as crucial across the company—from manufacturing and production to corporate roles. “We have a short-term goal of filling an immediate job, but we think of it as a greater pipeline strategy,” says Gina Vassallo, who is specifically focused on developing a robust talent pipeline as a capability building manager. Caterpillar is aware of the need to think strategically about the future.

“We make sure we are seeding, nurturing, and developing that talent pipeline so we have a healthy company 10, 20 years from now,” Vassallo says.

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—Gina Vassallo, Caterpillar Inc.

Melissa Lackey, president and CEO of the corporate reputation management firm Standing Partnership, has created an effective internship program that has contributed tremendously to the company’s business continuity. Lackey reports that filling open positions once took anywhere from two to five months, which posed a significant challenge for the small firm of 30 people. “The downtime was challenging for our team,” she notes. Thanks to the internship program—and an active and consistent outreach to past interns—filling entry-level and junior positions now takes only four to six weeks. “The business implications of this are huge,” she reports.

State Farm Insurance is one of the rare companies whose average employee tenure is 15 years or more. Kathy Payne, senior director of education leadership, believes it is especially important in such a culture to bring in young adults with new ideas that will challenge the status quo and add to the company’s competitiveness. “That’s one reason we’re looking for fresh talent, and it’s also why it’s important to look outside where you normally would. We need employees that reflect the diversity of the nation and represent those varied views in our talent pipeline going forward,” says Payne.



As the United States continues to experience a shift in demographics, recruiting and retaining younger personnel makes good business sense. The most successful companies recognize that youth employment is not just about filling open positions today; it is about implementing strategies to meet future needs.

Young adult workers fill critical skills gaps

According to a 2011 report by Deloitte Consultant LLP and The Manufacturing Institute, 600,000 manufacturing jobs go unfilled due to a lack of qualified applicants.⁵ For the manufacturing sector and other employers of middle-skills jobs—those that require some education beyond high school but not a four-year degree—young adults are key to building a robust pipeline and solving the talent shortage.⁶ Machinists, IT specialists, nurses, and other middle-skills occupations represent 54% of the jobs in America today,⁷ and getting the next generation ready to assume these positions is critical for business—and for U.S. competitiveness.

But for small to mid-sized manufacturers, this problem can be too costly to tackle alone. Darlene Miller, president and CEO of manufacturing company Permac Industries, worked with other precision-machine shops, some industry organizations, and two regional community colleges to create Right Skills Now, a fast-track training program. Although the program does not focus solely on youth, it has resulted in accelerated learning, produced more job-ready applicants, eased the hiring process, and increased awareness of manufacturing as a viable career choice.

IT is another key industry affected by the skills gap, and some strategic nonprofits are working to close it. The national organization Year Up is helping companies identify and fill specific gaps in IT, operations and finance, sales and marketing, customer service, and other areas. They find high-potential, low-income minority young adults 18- to 24-years-old, provide six months of intensive hard and soft skills training, and match them to top-tier companies for six-month internships or full-time employment. Year Up currently works with more than 250 companies, from the tech industry to federal agencies. One Fortune 50 financial services company approached Year Up to solve a thorny problem. It needed dozens of programmers in a legacy computer language and could not find such workers in its existing talent pool. Year Up responded by adapting its training program to provide those

5. Deloitte/The Manufacturing Institute, "Boiling Point? The Skills Gap in U.S. Manufacturing," 2011.
<http://www.themanufacturinginstitute.org/~media/A07730B2A798437D98501E798C2E13AA.ashx>

6. National Skills Coalition, "Forgotten Middle-Skills Jobs: State by State Snapshots."
<http://www.nationalskillscoalition.org/state-policy/fact-sheets>

7. National Skills Coalition, "United States' Forgotten Middle."
<http://www.nationalskillscoalition.org/resources/publications/file/middle-skill-fact-sheets-2014/NSC-United-States-MiddleSkillFS-2014.pdf>

MAKING Youth Employment WORK

programmers quickly and cost efficiently. Fifty young adults are currently in training to fill this gap, supplying the company with the hard-to-find employees it needs and equipping the trainees with critical skills that can prepare them for a variety of other positions in IT.

Unless addressed, the skills gap will continue to impede companies' ability to compete in a global marketplace. Regardless of whether companies involve partners that can turn young adults into work-ready employees, it is clear that employers need to invest in and expand the candidate pool to successfully fill critical skills needs.

Young adult workers add to workforce diversity

Companies know that their workforce must reflect America's increasing diversity—not only because it is a corporate value, but also because it is a key element to their long-term bottom lines. Research shows that by recruiting and hiring employees who represent a wider range of backgrounds and perspectives, companies can create more effective marketing strategies that better speak to the needs of customers and thus broaden their markets. Cultivating young adults is a key strategy toward expanding workforce demographics.

Partnering with intermediary organizations can be especially helpful. The Wegmans Food Markets grocery chain has approached this question thoughtfully and pursues diversity on its own as well as through a close partnership with the Hillside Work-Scholarship Connection, a nonprofit agency that trains at-risk students to be work-ready employees for employer partners. Among the many benefits of this partnership is a reduced turnover rate—from 26% down to 19%—among Wegmans' part-time high school workers.

Beyond its philanthropic benefit, Wegmans' diversity initiative is directly tied to the company's business operations as a means to improve store performance. Stores of this Northeast-based chain retrieve local community census data to determine hiring goals. "We have over 51 languages spoken in our Fairfax, Virginia, market. So language diversity matters a lot to us. For example, a growing group of Turkish-speaking customers began to go directly to one of our Turkish-speaking young adults. We saw a noticeable uptick in customers from that community, which we may not have accessed otherwise. That's a real top-line benefit to us," says Gerry Pierce, senior vice president of human resources at Wegmans. "Because we focus on having our employee base mirror our customer base, there is a direct tie to sales."

As demographics continue to shift, imbedding cultural intelligence into the core business strategy is increasingly relevant. Companies that implement youth employment programs are creating diverse talent pipelines that reflect new population trends.



Young adult workers help drive new ideas

The current business landscape is characterized by shorter product life cycles and rapid technological change; it requires businesses to constantly innovate in order to stay competitive. Companies report that young adult employees bring new approaches to problem solving, which, in turn, leads to greater creativity and innovation. “Having young adults in the company changes the company,” says Jeff Artis, Year Up’s national director of corporate engagement. Companies report that young workers infuse their companies with energy, creativity, and fresh insights—particularly around emerging customer segments. Young adult workers have grown up in a technology-enabled environment and, as a result, understand technology as they would a native language. Lackey of Standing Partnership points out that her more senior employees bring experience and strategic skills, and youth bring tactical skills and technological tools that help the company keep its finger on the pulse of current trends and issues. As a communications company, this is mission-critical for Standing Partnership.

Fresh thinking and facility with technology can be hard to put into terms of return on investment, but sometimes, the contributions of young workers can be translated into dollars and cents. Denise Hebner, head of diversity and inclusion at global services firm UBS Americas, had challenged her young workers to design a cost-saving strategy. One trainee noticed that the computers stayed fully powered even when not in use for long periods of time. Her idea? Install software that puts a computer into sleep mode after a period of inactivity, which could lead to cost savings and have a positive impact on the environment. She calculated this practice would save up to \$400,000 a year for every 1,000 computers.

Hebner was astonished: “[This trainee] did not have a college degree, comes from the school of the hard knocks, and literally saved the firm hundreds of thousands of dollars.” The young woman’s idea was evaluated and implemented by UBS.

“If the organization is not open to new ideas—including the ideas of Millennials—we will not be able to retain the talent and compete effectively in a global marketplace.”

—Denise Hebner, UBS Americas

To reap the rewards of new ideas, a company needs to create a culture that listens to and compensates new approaches, which can be a challenge for firms that cling to the status quo.

Yet, the urgency of such an approach is real: “If the organization is not open to new ideas—including the ideas of Millennials—we will not be able to retain the talent and compete effectively in a global marketplace,” observes Hebner.

MAKING Youth Employment WORK

TWO APPROACHES TO YOUTH EMPLOYMENT

Those companies that successfully turn the potential of young adults into concrete returns develop a youth talent pipeline that meets their needs. The two most common approaches are to **create internal programs**, such as modern apprenticeships or internships, and to **partner with strategic nonprofits and modern external organizations** that find and train talent tailored to their specific business goals. Training typically targets hard skills, like technical competencies, and soft skills, such as cooperation, communication, and teamwork.

The internal approach: A company takes the lead in developing its own solution

Employers report that many young adults lack the skills required to succeed in entry-level jobs. In response, companies are pursuing two types of internal strategies: designing training programs—internships, modern apprenticeships, leadership rotations—and engaging with local educational institutions.

Company-led internal training has the benefit of directly tailoring skill development to that company's specific needs. Wegmans and Caterpillar provide two excellent and distinctive examples.

Wegmans starts its onboarding program with workers as young as 16, who, in turn, become a critical pipeline for the company's full-time workforce. In fact, 95% of employees who go into management are promoted from within, and a high percentage of them started their careers at the company. Wegmans aims to turn its shoppers into evangelists, and Pierce argues that the roots of this achievement lie in its focus on employees, including its young employees. "We believe it's our responsibility to help employees to learn and grow," says Pierce.

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—Gerry Pierce, Wegmans

Wegmans' training program starts for all new employees with six in-depth core classes, with additional targeted training as warranted. "All of our training is conducted by our employees, which provides a developmental opportunity for our managers," says Pierce. In a very concrete way, Wegmans considers employee training a prime source of its competitive advantage. "Well-educated employees become more knowledgeable—and convincing—salespeople, which, in turn, translates to higher sales," Pierce reports. Wegmans' combination of high expectations and support creates a strong workforce that then creates a strong company: Wegmans regularly ranks at the top of *Fortune's* "100 Best Places to Work," and it has been named the best grocery store chain in the country by *Consumer Reports*.



U.S. CHAMBER OF COMMERCE FOUNDATION

Center for Education and Workforce

Similarly, Caterpillar's Leadership & Technical Development Program (LTDP) is a critical component of their home-grown talent pipeline. The company uses the LTDP to develop young talent and remain a leader in an industry beset by skills-gap issues. Through the LTDP, college graduates participate in one of four career tracks, gain broad exposure to Caterpillar, experience diverse and cross-functional project responsibilities, and network with leaders across a global team.

Engagement with local education institutions is one of the most important steps business leaders can take to help stem the talent shortage; these efforts can reach a broad base of students and foster curricula that better address employers' needs. A variety of companies use this approach, including as a way to expose students and parents to out-of-favor or little-known industries. A number of leaders, particularly in manufacturing, lament the limitations of only valuing traditional four-year credentials because alternative pathways can, in fact, lead to high-wage, high-skill jobs. This is especially notable in technical education. Not only were proactive companies celebrating the resurgence of formal apprenticeships as a means of establishing living-wage careers and high-quality vocational training, but they were also helping to lead it.

These business leaders are investing their own time in creating intensive work-study programs, or they are involved in more direct outreach, like speaking at schools, talking to parents, and hosting or attending youth career fairs. In all cases, developing strong relationships with educational administrators can help foster greater responsiveness to employers' feedback on how postsecondary and vocational training programs can better speak to what skills companies need.

The professional world is often, at best, an abstract concept for young adults. Therefore, work-study programs that give real-life exposure are valuable. Because legal constraints limit the kinds of work that can be performed by anyone under 18, especially in such industries as manufacturing, work-study programs must be appropriately tailored to these needs. Sandy Westlund-Deenihan, CEO and design engineer of the small manufacturing company Quality Float Works, Inc., partners closely with teachers and administrators in the community to ensure that her work-study programs are effective for all stakeholders. Students attend academic classes in the morning and work on the shop floor in the afternoon. They test their skills on approved equipment, assist with prep work, and explore different roles in the firm. Students receive school credit for participating in the program and benefit from coaching on soft skills. In turn, Quality Float Works has an opportunity to identify promising young talent that might have otherwise gone unnoticed.

On a much larger scale, Caterpillar Inc. is also active in fostering work-relevant training as a means of closing the skills gap. For its ThinkBIG/ThinkBIGGER technician education programs, which help feed the dealer-technician pipeline, graduates earn an associate's or

MAKING Youth Employment WORK

bachelor's degree—depending on program length—in applied science. Cat and its dealers also work with community and technical colleges to support one- to two-year education and training programs that offer various levels of career training.

Caterpillar also reaches out to students, beginning in elementary school, and offers work-based learning programs at the high-school level. Caterpillar partners with schools directly to make sure that the talent delivered to the company is work-ready. In addition, based on the competencies mapped out for jobs—like supply-chain analysts and manufacturing engineers—these skill requirements are shared with partners, such as colleges and universities, to ask that such skills be incorporated into the school's curriculum. The same strategy is replicated for two-year colleges and technical colleges for such programs as welding. Permac's Miller similarly engages students, parents, schools, and other employers. "It's a win-win, and if we don't do it, our workforce will stagnate. The only way we'll survive as a manufacturing industry is to be actively engaged in the early stages of workforce training."

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—Darlene Miller, Permac Industries

The partnership approach: A company finds strategic partners to help manage talent

Often, companies would like to reach new talent pools of young adults—especially in growing industries or those affected by skills gaps—but lack the in-house capacity or expertise. In these cases, partnerships with nonprofits or other intermediaries can streamline recruitment, provide tailored hard and soft skill development, and support employees.

What types of partners should be considered? Some companies wish to expand diversity among highly skilled young and minority workers, and turn to organizations that foster the success of specific groups with advanced skills. Examples include The Society of Women Engineers; Society for Advancement of Hispanics/Chicanos and Native Americans in Science; Black Data Processors Association, which provides mentoring, coaching, and leadership training to African American technologists; Sponsors for Educational Opportunity, a mentoring program for underrepresented young adults;⁸ and the NYC Ladders for Leaders program, which provides professional internships to New York City youth between the ages of 16 and 21.⁹

8. Sponsors for Educational Opportunity (SEO) Programs.

<http://www.seo-usa.org/our-programs>

9. NYC Ladders for Leaders.

<http://www.nyc.gov/html/dycd/html/jobs/ladders.shtml>



U.S. CHAMBER OF COMMERCE FOUNDATION

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Some wish to expand diversity and provide opportunities for talented young adults who are not connected to education or employment—so called opportunity youth, or at-risk youth—and who often come from low-income or minority backgrounds. The new Grads of Life campaign highlights the value that corporations reap by engaging with this untapped segment, often through nonprofit partnerships.¹⁰ Many employers who work with these young adults say that in addition to their many skills-based contributions, these employees frequently become loyal leading to significantly lower turnover rates.

But it is tough to go it alone, and many employers are partnering with outstanding nonprofits—such as Year Up, Genesys Works, i.c. stars, Boston Private Industry Council, and others—to create the right training so these young adults will succeed in a corporate environment. In some cases, they function as an employment agency, handling payroll and other human resource functions. Typically, these nonprofits train students in robust programs that include both soft skills and technical skills required for specific jobs.

State Street Corporation's partnership with Year Up demonstrates how investment in local talent can help businesses grow and retain the skilled, entry-level talent to fit their hiring needs. In 2005, State Street turned to Year Up in response to its entry-level talent shortage. An initial IT pilot program blossomed into a multipronged business solution: Year Up has since become one of the largest sources of skilled and diverse entry-level talent in IT and financial operations at State Street Corporation, with more than 300 Year Up graduates hired to date. A testament to what can happen when employers expand their candidate pool and reconsider job requirements, State Street Corporation began placing Year Up graduates into entry-level positions that were traditionally filled with graduates from four-year colleges. It has expanded its programs with Year Up and similar intermediaries as this talent pool continues to thrive in such a high-performance culture of excellence.

The world's second-largest toymaker Hasbro, Inc., headquartered in Rhode Island, is another organization that has long partnered to source entry-level IT and customer-service talent. In 2014, Hasbro and Year Up jointly launched a customized program to train young adults for sales and marketing roles within Hasbro. "These young people are such self-starters," Hasbro CEO Brian Goldner told the *Providence Journal*. "They've taken the initiative to overcome some incredibly challenging circumstances. ... I think that's what helps with retention." As he looks at Hasbro's talent needs, Goldner says that he wants to capture the energy and insight of today's youth, and that he wants his company's sales and marketing team to reflect the diversity of Hasbro's global customers. He and Meghan Hughes, executive director of Year Up Providence, have high hopes that the program will

10. Grads of Life.
<http://gradsoflife.org>

MAKING Youth Employment WORK

become a model for other companies with similar entry-level jobs around the country. “I think we could really solve many of the issues related to our unemployment problem as a nation with a program like Year Up,” Goldner says.¹¹

Companies also partner with Genesys Works, a nonprofit that trains high school students for primarily IT and other business-focused internships. It functions as an employment agency, charging companies for its young talent, while it handles payroll, administration, and training. Students enter an eight-week intensive training program to learn specific technical skills (varying at each of its locations), followed by a year-long comprehensive internship program. Genesys Works serves more than 170 major companies—from Accenture to Blue Cross Blue Shield to Salesforce.com—and provides them with interns trained in IT, engineering drafting, or accounting. Beyond employer coaching from the Genesys Works staff, supervisors at the work site are provided with a detailed set of guidelines in the form of a handbook on how to onboard the student from day one. Minnesota-based Director Joel Crandall notes that these interns are filling a critical labor market gap, since unemployment for IT workers in the Twin Cities is extremely low and current IT workers get recruiting calls within days of getting a new job. By turning to urban, minority youth, Genesys Works’ partner companies are now filling their dry talent pipeline with high-quality talent.

“These young adults bring immense advantages,” agrees Sandee Kastrul, president and co-founder of i.c. stars, another nonprofit that capitalizes on the extraordinary potential of this group. Kastrul notes that these youth have earned those skills through life experience: “They have grown up managing different worlds. They have had to adapt to change, and because they have typically been dealt a heavy weight of responsibility at a very young age, they are no strangers to hard work.”

“These young adults bring immense advantages. They have grown up managing different worlds. They have had to adapt to change, and because they have typically been dealt a heavy weight of responsibility at a very young age, they are no strangers to hard work.”

—Sandee Kastrul, i.c. stars

In addition to company/nonprofit partnerships, there are other models that broker relationships among multiple stakeholders. The Boston Private Industry Council (PIC) is one such entity, connecting businesses, the Boston Public Schools, higher education, government, labor, and community organizations to create innovative workforce and education solutions that benefit Boston residents, and

11. Kate Bramson, “R.I. toymaker Hasbro, Year Up launch new jobs program for disadvantaged,” *Providence Journal*, July 28, 2014.
<http://www.providencejournal.com/breaking-news/content/20140727-r.i.-toymaker-hasbro-year-up-launch-new-jobs-program-for-disadvantaged.ece>



makes sourcing talent easier for companies. In addition to connecting employers with ready-to-work adults, the PIC connects youth in Boston’s high schools with paid work and learning opportunities—providing support to employers so that they can participate in school-to-work programs, or simply participate in shorter-term programs, such as mock interviews or job shadowing. PIC oversees Boston’s career centers, which direct more than 19,000 job seekers annually while providing placement services to upwards of 500 employers.

COMMON BARRIERS AND ESSENTIAL ELEMENTS FOR SUCCESS

Although many companies are convinced of the potential benefits of employing young adults, creating a robust pipeline requires overcoming common challenges. In the experience of leading employers, five essential elements of successful program implementation rose to the top:

1. Link your youth employment strategy to your business strategy and find champions
2. Expand your talent sources
3. Examine business policies that inhibit youth hiring
4. Prioritize soft skill development
5. Measure and improve over time

ESSENTIAL ELEMENT 1: Link your youth employment strategy to your business strategy and find champions

“Not knowing where to start” is the most commonly cited barrier to developing a youth employment initiative. It can seem overwhelming if a company does not quite know how young adults might fit into the overall business strategy. Whereas some past youth employment initiatives relied on a philanthropic or charitable rationale, a growing number of employers are beginning to grasp the necessity of including youth talent pipelines as part of a long-term business plan.

Successful integration starts with top leadership, typically someone in the C-suite. Without this sponsorship, it will not become part of the company DNA and is unlikely to outlast the particular employee who introduced it. This is “absolutely essential,” says Augustin Melendez, president of the Hillside Work-Scholarship Connection. Neil Sullivan of the Boston PIC concurs, adding that it is also necessary to identify a day-to-day sponsor who has both decision-making power and close understanding of talent needs—someone

MAKING Youth Employment WORK

the young adults' supervisors can go to for trouble-shooting. Human resources (HR) departments can also provide important support. Once efforts are under way, HR can be helpful in scaling the effort.

Youth employment champions—from the C-level and the front lines—promote the concept that young workers can provide competitive advantage, identify potentially suitable roles that provide tangible value to both the company and the youth, and discuss possible structures of a customized program. “Usually champions reveal themselves,” says Pawn Kongkosonkichkan, director of business development at Genesys Works. “They latch on to what we’re doing, and then they have the experience of having the young person contributing, and after that they take a vested interest and it grows from there.” As Genesys Works CEO Rafael Alvarez advises,

“The problem of getting in front of these decision makers in a noisy field is not trivial, but once we talk with them, they say, ‘Why would I say no to something that helps our bottom line and helps the young people in our community?’”

“Usually champions reveal themselves. They latch on to what we’re doing, and then they have the experience of having the young person contributing, and after that they take a vested interest and it grows from there.”

—Pawn Kongkosonkichkan, Genesys Works

Once the champions and business rationale are in place, a successful strategy requires strategic mapping of likely youth-job alignments. “From a business perspective, it’s important to know what critical business success factors are, then hire talent against that—even at the internship or entry level,” says Standing Partnership’s Lackey. Danny Vargas, founder and president of VARCom Solutions, concurs: “As a marketing and public relations firm, we need to make sure we are keeping up with the latest trends in marketing communications, social media, etc. To make sure we stay in touch with the way people interact and communicate with each other in today’s technology-driven society, we turn to high school and college students for both part-time work and for surveys to give us a firsthand sense of the best form of getting our message out to target audiences.”

In matching the right young adult to the right job, demographics, age, and experience levels all factor in. First, the work needs to be concrete and meaningful—both for the young adults, who need real experience, and for the companies, that need to see tangible benefits from their work. Performing make-work jobs, filing assignments, and getting coffee result neither in a beneficial experience for the student nor a useful contribution to the employer, leaders report. Second, the jobs need to be “rightsized”—meaning sized to the young adult’s skill set and allowing for on-the-job training and higher expectations over time.



ESSENTIAL ELEMENT 2: Expand your talent sources

A common barrier in developing a youth talent pipeline is that companies are not sure how best to find well-suited young adults. This is particularly true for companies that want to add diversity, or whose industry is not readily appealing to potential candidates. Most strategies can be distilled to the following advice: Go to where the youth are, or partner with an expert that can help you.

“Like every company, we’re well aware that our workforce [pipeline] is getting younger and more diverse, and that we need to increase opportunities accordingly,” says State Farm’s Payne. To ensure the availability of both young and diverse talent, the company looks outside of the regional market surrounding its Bloomington, Illinois, headquarters, to metro areas like Dallas, Atlanta, and Phoenix—areas that more accurately reflect the

“Like every company, we’re well aware that our workforce [pipeline] is getting younger and more diverse, and that we need to increase opportunities accordingly.”

—Kathy Payne, State Farm

demographics of its customer base, including young adults. The company has held massive job fairs in these areas to raise awareness of State Farm’s career opportunities.

As noted earlier, being proactive does not necessarily mean going it alone. Companies look to partner with nonprofits—such as Year Up, Hillside Work-Scholarship Connection,

Genesys Works, i.c. stars, or Boston PIC—because these organizations specialize in training low-income young adults to be work-ready. One of the greatest value-adds of an intermediary organization is its inherent vetting process. Determining a young person’s organizational fit is of great benefit to both the employer and the employee. Moreover, several interviewees noted that because the training is so targeted, both in terms of applicable hard skills and soft skills, employers report that the young adults who are sent to them are sometimes better prepared than their more privileged counterparts.

One example, YUPRO, is a public benefit corporation dedicated to advancing the careers of talented young adults who are trained and ready to be effective. YUPRO matches Year Up alumni with employers eager to hire a new generation of employees who have the technical skills, unique resilience, and tenacity necessary to be successful. YUPRO offers employers a socially responsible alternative to traditional talent acquisition approaches, and they benefit from a work-ready addition to their team. As another option, companies can also use the online Grads of Life to find trusted partners in their geographic area and other valuable information. This tool provides a wealth of information about getting started (including business-goal setting and vision of success), finding the right partner

MAKING Youth Employment WORK

(including setting expectations for what expertise they will bring), laying the groundwork for a successful collaboration, and measuring success and scaling efforts. This important last point covers both quantitative measures, such as the expenses incurred, and qualitative measures, such as satisfaction levels.

ESSENTIAL ELEMENT 3: Examine business policies that inhibit youth hiring

Developing a robust pipeline of youth talent is often blocked by policies or processes, both internal and external. The list of legal and policy barriers to employing younger workers can be daunting. Companies may not understand regulations affecting those under 18, or they may face business-specific restrictions (e.g., safety issues in manufacturing). As a result, they are possibly overlooking a large group of potential candidates due to unnecessarily restrictive job experience requirements or application systems that screen out candidates before they can ever reach a real person.

This need not be the case. Wegmans educates both the high school students and their managers on the labor laws for minors to ensure compliance. At Quality Float Works, though students under 18 are restricted from operating certain machines, Westlund-Deenihan has structured the program to accommodate such restrictions so that students are able to work on the legally allowable machines and contribute in other ways, such as through quality assurance.

Barriers to employing young talent can also be inadvertently created by the company itself. As one example, Burning Glass research recently found that fewer than 20% of executive assistants have a four-year college degree, yet 65% of current job postings for the position indicate that it is a requirement. This example of “credential inflation” highlights the need for companies to revisit their recruiting and screening policies. The study cites: “Employers now require bachelor’s degrees for a wide range of jobs, but the shift has been dramatic for some of the occupations historically dominated by workers without a college degree. The gap can amount to 25 percentage points or more for middle-skill jobs.”¹² Closely related to this trend is the well-worn path to the university career-placement center. Year Up’s Artis points out that it is the seemingly safe choice for far too many companies. For that reason, many turn to universities even for jobs that do not truly require that level of education simply because there is a sense that expanding recruiting efforts to candidates outside the typical talent pool is risky.

To remedy this, it is critical that businesses (and particularly decision makers) expand their vision of where outstanding talent can come from. Even so-called best practices, such as online application systems, can be notorious black holes for all but the most “perfect”

12. Burning Glass, “Moving the Goalposts: How Demand for a Bachelor’s Degree is Reshaping the Workforce,” September 2014.
<http://www.burning-glass.com/research/credentials-gap>



(i.e., keyword-friendly) candidates. Because the most perfect candidate for the job may not, in fact, be perfect on paper, employers must actively engage in accruing and developing their next-generation talent pools.

ESSENTIAL ELEMENT 4: Prioritize soft skill development

One of the most noted barriers is that today's young adults are not prepared for the workplace with adequate soft skills. It is also a barrier that must be addressed because skills like punctuality, deportment, professionalism, teamwork, and communication are clearly vital for success in the workplace. The good news is that soft skills are teachable, although it takes concerted effort through targeted training and coaching during the onboarding process. As one employer notes, in comparison to their counterparts from earlier generations, those in the 16- to 24-year-old age range are less likely to have held a job—any job. The result is a mismatch between what an employer might expect and what a young person knows. Young adults may lack experience documenting their working hours (such as clocking in and out), not realize that calling in to notify a supervisor of an absence is required, or not have a sense of what constitutes appropriate work attire.

Companies (sometimes with nonprofit partners) must tackle this challenge to help shape young adults into the strong contributors they can be. Intermediaries, whose training provides a heavy dose of soft skills training, provide a helpful window into what such curriculum can potentially cover. For example, in Hillside Youth Employment Training Academy (YETA) curriculum, students learn everything from manners to how to be a team player. They are trained in proper technology etiquette, how to diffuse negative situations, what constitutes good employee behaviors, as well as other relevant topics. Yet it is important to note that almost more important than what is taught is how it is taught. Melendez says that at Hillside trainings, these lessons are preceded by the overarching principle of why these skills are important—they are meant to position young people to be successful in the work environment. “We help them understand job expectations and what’s required,” he says. This happens not just in a rote way but with an emphasis on developing judgment, such as discussing the ways in which the work environment at a Wegmans or at a medical center might differ.

Understanding the behavioral differences required between the upbeat and energetic retail work environment and the quieter, more serious setting of a medical center speaks to an important issue. At their core, many workplace soft skills—from what is considered “professional” attire to technology use, to communication best practices—are really norms that can vary widely depending on the workplace. Year Up provides soft skills training in such areas as business etiquette, conflict resolution, and proper communication skills. In addition,

MAKING Youth Employment WORK

it provides supervisors with training that sets out clear expectations on what oversight of the intern requires in concrete, measurable terms. On the soft skills front, this includes talking about expectations and discussing what culture and success look like at the company.

Even for more sophisticated audiences, companies know that soft skills training is crucial. Caterpillar defines and exemplifies the necessary soft skills and helps employees understand the definition of each one, such as problem solving or flexibility. In addition, the company identifies and shares values, job role, and leadership competencies, in addition to functional and technical competencies. Every employee is assessed against these competencies to reinforce expected behaviors and to identify any gaps. The company provides opportunities to help bridge any gaps through formal learning, mentoring, coaching, and feedback from on-the-job experiences. Caterpillar also works not just to develop skills internally but also to share information outside the company on just what soft skills are—for example, through visual aids—to encourage teachers, professors, and professional associations to reinforce these principles by incorporating them into their curriculum and programs.

ESSENTIAL ELEMENT 5: Measure and improve over time

Depending on your company's particular efforts surrounding youth employment, it may be hard to tell how well those efforts are performing. While the aforementioned companies consider young adults to be an important part of their talent pipelines, few currently separate them out in order to track outcomes. For example, filling entry-level positions might include people of all ages and backgrounds (e.g., veterans returning home), and young adults figure in as part of a broader training effort. Because of this, it can be easy for young adults to get lost in the shuffle of employee metrics, particularly at a large company.

However, some employers are monitoring the success of their young workers and targeting specific improvement efforts over time. As with any business strategy, measurements are critical to growth and improvements. When Caterpillar's Vassallo started, she recalls, "I could see we're doing great things, but were we doing the right things at the right time? Could I measure the health of the talent pipeline?" To get clear insight into those questions so she could better map her talent needs, she spent time in the early years defining metrics and competencies.

In some cases, it may be useful to measure a particular group to see the bigger picture. Vassallo points out that in Caterpillar's leadership program, the employees come in as a group, thus allowing the company to create metrics around their performance and contributions in ways that provide guidance for other populations. Efforts to extend the program are in the works. In addition, Vassallo is constantly looking for ways to modernize and improve training. "I'm trying to move toward more modern competency training and



U.S. CHAMBER OF COMMERCE FOUNDATION

Center for Education and Workforce

making it flexible: more simulation vs. traditional one-size-fits-all.” She says that her team is modifying its approach to be more relevant to trainees, for example, by taking a more blended approach to learning. It fortifies formal training and knowledge tests with on-the-job application and skill assessment. “This is a more comprehensive talent development process focused on continuous improvement rather than on the belief that training happens once,” she says. “It is also intentional and personal, recognizing that people develop skills in different ways and in a different timeline. We want the time and investment spent in development to be viewed as value-added by both the individual and the company.”

The tangible improvements strengthen the company overall. The Wegmans team reports: “As a company, one of our five key measures is retention, and our total company turnover is 19%, which is about half of the industry average. In addition, we believe that that lower turnover translates into significant savings for us from training and recruitment costs as well as helps

“This is a more comprehensive talent development process focused on continuous improvement rather than on the belief that training happens once.”

—Gina Vassallo, Caterpillar Inc.

us with our overall employment brand and ability to attract and engage new employees.”

To the extent possible, measuring variables that matter to the company—e.g., lower turnover and lower recruiting costs—are data points to consider. In addition, revenue and savings contributions are critical to making the case for youth employment initiatives.

Measuring progress can demonstrate how a youth employment strategy goes beyond the social good and can make the business case to other stakeholders for the positive effects such a plan can have, as well as what areas require improvement.

Measuring and demonstrating success is critical to widening buy-in and, in turn, helping grow youth employment efforts. Kongkasonkichkan tells the story of how one 17-year-old engineering student interning for Kinder Morgan did the work of a full-time adult contractor. The intern ended up saving the company significantly more money than what they were paying for the service, and on the heels of students’ general positive performance and that standout example, word of the internships’ results spread—and placements in the company more than doubled.

If you are just starting out with youth employment or are launching a new effort, such as working with a nonprofit partner, it is helpful to know that the process is iterative. Many of the companies cited here experimented at a small scale, realized firsthand what young adults could contribute, and built efforts from there. In other words, it is not necessary to know everything about employing youth to begin doing it.

MAKING Youth Employment WORK

CONCLUDING THOUGHTS

USCCF recognizes that implementing youth employment strategies is no easy task. There is not a one-size-fits-all solution to these challenges, and it is not as simple as hiring more interns. As the national dialogue on this issue continues to evolve, the employer community must play a leading role in working within their companies to identify how a youth employment strategy fits into their long-term operation and growth. To make those strategies more effective and constructive for employers and young people alike, more must be done to support the employer community in those efforts. Over the course of 2015, USCCF will work with the ready and the willing to explore youth employment approaches. Through those pilots—and resources such as this paper—USCCF will identify best practices and disseminate the “how-to” information to the business community at large.

This strategy cannot be narrow in time or scope. Through USCCF’s affiliation with the U.S. Chamber of Commerce—which has a network of businesses of all sectors and sizes, as well as thousands of local and state chambers of commerce—we intend to educate the business community on the opportunities effective youth employment strategies present and the essential elements that successful practices have identified. In addition, our efforts will emphasize the urgency for systemic change that will benefit society overall. We call upon partners in the private and nonprofit sectors to use this document as a foundation in efforts to safeguard the security and growth of the American economy by joining USCCF’s pursuit to train our youth.



EMPLOYER CHECKLIST

1. Connect your youth employment strategy to your business strategy

- Identify C-suite level leadership to champion your strategy.
- Build an internal management team to execute your strategy.
- Target youth employment to entry-level positions that are the right fit.

2. Find the right partner to source youth talent

- Identify potential sources of talent that are responsive and flexible in meeting your needs.
- Build customized youth employment pathways with preferred partners.

3. Review your policies that pose barriers to youth hiring

- Work with your internal management team and community partners to identify policies that restrict or prevent youth hiring.
- Screen and hire youth based on demonstrated skills and competencies.

4. Prioritize soft skills development

- Support onboarding youth into your workplace culture.
- Develop partnerships with nonprofits or others to support ongoing soft skills development and to provide mentorship and coaching.

5. Measure and continuously improve your youth employment strategy

- Identify metrics that accurately measure the value of youth employment to your enterprise.
- Develop, track, and communicate progress on key performance indicators with preferred partners.

APPENDIX

MAKING YOUTH EMPLOYMENT WORK: PROFILES

A Champion Grows a Youth Employment Initiative

For many organizations, scaling a youth employment initiative involves many of the same essential elements as beginning one. Such was the case for the University of Rochester Medical Center (URMC). In the late 2000s, Suzanne M. Piotrowski, M.D., a leading youth employment champion for URMC, wanted to expand the number of students employed through the Hillside Work-Scholarship Connection. Hillside, a nonprofit that works with at-risk students to boost graduation rates in the Rochester area, also provides intensive soft skills and career training to help these students become work ready. URMC had been orchestrating the employment of about two to three of these high school students each year since 2003—albeit in limited roles. But Piotrowski knew that the medical center’s youth employment initiative had potential to grow. The youth champion set to work.

As a doctor familiar with the day-to-day pressures and needs of the many hospitals and teaching centers of URMC, Piotrowski recognized scaling youth employment through Hillside faced barriers, simply because the students were so young. Like other industries, the medical sector is subject to legislation that affects youth employment, and many felt that hiring teens was a risk. In response, Piotrowski collaborated closely with legal, HR, compliance, and PR experts to address barriers and change views. She visited schools and hosted site visits, since these students did not view the medical center as an appealing employer. She also worked closely with the Hillside team to find new ways to recruit and employ youth. Those efforts paid off. In 2009, URMC launched Be Employed Be Successful, a multidimensional and multistakeholder program. That year the program employed nine students; today, Hillside student employees number 150.

Hillside students provide a number of benefits to URMC. They help solve turnover issues and enthusiastically fill the less attractive weekend, evening, and holiday shifts. And even at the high school age, they serve critical roles. As one example, approximately 32 students serve as patient companion observers for patients who are deemed unsafe to be alone. Young adults who hold this trained position assist with bathing, feeding, talking with family, or reading to the patient. Moreover, because of the students’ life experiences and varied backgrounds, Piotrowski says they have an empathy and natural curiosity that helps them bond with patients in a way that many their age would not find as natural. The patient companion observer—as other roles that students serve—isn’t one that many would have naturally considered rightsized for students.



By starting small and growing efforts, turning to community experts for relevant advice, and earning a wider net of champions as students proved their value, medical center staff members are sold on the multidimensional capabilities of these teens. From medical center staff to patients, people note the energy and enthusiasm these students bring. “Rochester’s urban youth are significantly improving URMC’s daily operations,” says Piotrowski.

Power in Partnership: Permac Industries Collaborates to Close the Skills Gap

A study released in 2011 by Deloitte and The Manufacturing Institute found that more than 80% of manufacturers report they cannot find employees to fill their skilled production jobs.¹³ Darlene Miller, president and CEO of Permac Industries, understands; the skills gap exacts a heavy price on small businesses like hers. Every employee who runs the precision manufacturing company’s sophisticated equipment serves a critical role in Permac’s continued competitiveness. So how do you find the talent you need without the internal capacity to meet all your training needs? Miller, who also serves on the President’s Council on Jobs and Competitiveness and co-chairs the High Tech Education Subcommittee, knows that power lies in partnership. So, in 2011, when she could not find seven computer numerical control (CNC) operators—a high number for the small shop—Miller worked closely with other precision machine shops to convene two regional community colleges, The Manufacturing Institute, ACT, and the National Institute for Metalworking Skills (NIMS). Together, they created a fast-track solution to begin addressing the skills gap crisis in their area called Right Skills Now.¹⁴

A large number of Right Skills Now students are young adults under 24. Through the program, they gain the training and skills needed to start a successful career in manufacturing. Launched in Minnesota where Permac is headquartered, the program has now expanded to 10 states. Typically, students undergo accelerated CNC operator immersion training through a partner community college for about 16 weeks of class and shop experience. Afterward, they begin an 8-week internship that provides college credit to develop and test their on-the-job skills. Graduates receive NIMS credentials that reflect a growing movement in the manufacturing sector to promote portable, industry-recognized certifications that help both employees and employers. The certifications also count toward an associate’s degree and can serve as a foundation for other accreditation.

13. Deloitte/The Manufacturing Institute. “Boiling Point: *The Skills Gap in U.S. Manufacturing*,” 2011.
<http://www.themanufacturinginstitute.org/~media/A07730B2A798437D98501E798C2E13AA.ashx>

14. Right Skills Now.
<http://rightskillsnow.org>

MAKING Youth Employment WORK

Permac experiences a number of business benefits through the accelerated learning program. The company gains a source of workers with relevant skills far more quickly than it would have waiting for students to graduate from a traditional two-year program. Moreover, because training is conducted through a local college, connecting to talent is easier, as local partners facilitate the process. So far Permac has hired four Right Skills Now graduates, each important for the 30-person shop. Right Skills Now feeds the talent pipeline of many other shops around the country.

Media attention to the program has increased awareness of the manufacturing industry's issues and provides a successful model to address the industry's talent challenges. Partners and leaders of the program, including Miller, are targeting nationwide rollout even beyond the expansion that has already happened. The result: Right Skills Now serves as a testament to how proactive leadership and strategic partnerships can work together to solve problems for the collective good.

State Street and Year Up Partner for Mutual Success

Founded in 1792 and headquartered in Boston, State Street Corporation is the second-oldest financial institution in the United States and a leader in the industry. But like many companies, State Street faced an entry-level talent shortage.¹⁵ Enter Year Up, a nonprofit that sets underserved young adults on the road to career and financial success through training and job experience opportunities. Specifically, Year Up helps companies fill skills gaps in IT, finance and operations, sales and marketing, customer service, and custom solutions. State Street, which was familiar with Year Up's impressive work as a corporate donor, decided to create a more strategic partnership with the nonprofit to expand its candidate pool and to capitalize on the nonprofit partner's expertise.

State Street started small with a Year Up IT internship pilot. The two organizations worked together to rightsize the roles for the young adults and communicated closely throughout the pilot. Year Up ensured that students were work ready, due to comprehensive training in technical skills and soft skills. Simultaneously, Year Up provided training to supervisors that set clear expectations on what intern oversight required in concrete, measurable terms.

What began as a small pilot has now become an integral part of State Street's business strategy. Partnering with Year Up provides a pipeline of ready-to-work talent for a variety of departments, creating stronger community relations and increased employee diversity. Indeed, Year Up has become one of the largest sources of entry-level talent in IT and finance at State Street Corporation, with more than 300 Year Up graduates hired to date.

15. "State Street Corporation" on the Year Up site.
<http://www.yearup.org/stories/state-street>



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Center for Education and Workforce

State Street has not only expanded its talent pool, but it has redefined job requirements for certain roles, both of which are crucial to creating business success in today's landscape. The company now fills 50 to 60 entry-level positions in IT and finance annually with Year Up graduates, jobs that were traditionally filled with graduates from four-year colleges. The partnership has increased employee engagement and has helped the company better reflect the gender and ethnic diversity of the local community and the globe. In addition, the State Street-Year Up partnership lowered entry-level employee turnover overall, and the company sees 10% to 20% better retention rates for the roles that Year Up graduates take on full time.

What is the State Street secret of youth employment success? Expand your talent sources, partner, see results, measure and improve, and link youth initiatives even more directly to business strategy—repeat as needed.

MAKING Youth Employment WORK

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