



United Way Worldwide Youth Employment Report

INTRODUCTION

A growing body of research, and a growing chorus of thought leaders, are calling attention to the global issue of youth employment.

Some of the prominent voices and actors on this issue approach it through the lens of education, observing that a high school diploma is still a strong indicator of long-term financial stability.

Others view a quality education as essential but not sufficient, and posit that a greater focus on work-based training, school-to-work programs, and alternative pathways to work are crucial for connecting youth to future employment opportunities.

Finally, some are dedicated to providing wrap-around community supports to address the many systemic barriers that youth face in their effort to stay on the path from education to employment.¹

In fall 2014, United Way Worldwide’s research team surveyed its Community Leaders Panel of 95 U.S. and international United Way CEOs. The survey’s findings – shared throughout this report – indicate that each of the above topic areas is worthy of focus. And the findings underscore the need for a comprehensive strategy integrating all these areas to make lasting change on a global scale. Effectively implementing such a strategy requires a collective impact model in which “cross-sector stakeholders come together to collaboratively identify and solve a complex social issue.”²

The collective impact model is the foundation for United Way’s multi-faceted approach to improving lives and building stronger communities. We focus on education, financial stability and health, and we recruit individuals and organizations with the resources, reputation and relationships to execute shared strategies based on shared goals and shared performance metrics. The prevailing data affirms the collective impact model is necessary to address the pervasive and persistent challenge of youth employment.

¹ When we mention youth, we are referring to “Opportunity Youth” (that is, “youth between the ages of 16 and 24 who are enrolled neither in school nor participating in the labor market.”), unless otherwise noted. Corcoran, Mimi, et al., “Collective Impact for Opportunity Youth,” 1. Download at <http://www.fsg.org/tabid/191/ArticleId/735/Default.aspx?srpush=true>

² Ibid, 19.

WHY YOUTH EMPLOYMENT?

A global challenge that is critical and growing

For the nearly six years that Millennials in the United States (people aged 18-34) have endured double-digit unemployment, Americans aged 16-24 have also experienced more than twice the national average unemployment (15 percent, versus 7.3 percent for the general working population).³

The relative severity of youth unemployment is even starker worldwide (12.6 percent for youth, versus 4.5 percent for adults).⁴ Youth comprise only 17 percent of the world's population, but 40 percent of the world's unemployed.⁵ If the current rate of increase continues unabated, global youth unemployment is projected to reach 12.8 percent in 2018, with the number much larger in some regions.⁶ Finally, youth unemployment is not a challenge limited to developing nations: in Eurozone nations like Spain and Greece, the youth unemployment rate has already surpassed 50 percent.^{7 8}

An issue that fits squarely within our mission

United Way's mission is to drive lasting community change that creates more opportunity for all. Far from an issue that affects only a select population, youth unemployment takes a toll on whole communities and entire nations. According to a study sponsored by the U.S. organization **Young Invincibles**, youth unemployment costs the nation up to \$25 billion every year, predominately in lost tax revenue.⁹ A separate report issued to the White House Council for Community Solutions estimates that the "annual fiscal burden of [unemployed youth-driven] crime is \$76.7 billion," in addition to "\$111.2 billion in victim costs."¹⁰ The cost of youth unemployment amounts to \$4.75 trillion in aggregate lifetime costs to society, "when factoring in lost earnings, costs to victims of criminal activity, private health expenditures, and lost economic gains from a less educated workforce."¹¹

Around the world, there is also a strong correlation between large populations of unemployed youth and outbreaks of civil unrest (notably, such unrest does not always manifest as violence or crime; it can also be a spark for positive political reform and economic development).¹² The problem is only going to get bigger; according to the World Bank: "Today, the largest demographic cohort of young

³ O'Sullivan, Rory, et al., "In This Together: The Hidden Cost of Young Adult Unemployment," 5.

⁴ <http://www.economist.com/blogs/graphicdetail/2014/11/european-economy-guide>

⁵ Ibid.

⁶ International Labour Office, "Global Employment Trends for Youth 2013: A Generation at Risk," 3.
http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_212423.pdf.

⁷ <http://www.economist.com/blogs/graphicdetail/2014/11/european-economy-guide>

⁸ www.oecd.org/statistics

⁹ O'Sullivan, "Hidden Cost," 9.

¹⁰ Belfield, Clive, et al., "The Economic Value of Opportunity Youth," 13.
http://www.civicenterprises.net/MediaLibrary/Docs/econ_value_opportunity_youth.pdf. Steve Bullock, former Governor of Montana and Vice Chairman of Jobs for America's Graduates (JAG), adds, "The facts are clear and compelling: If young people graduate from high school and get a job and/or go on to higher education, the odds of their ever being a part of our criminal justice system are relatively close to zero. On the other hand those who did not complete high school and were unable to find a job or go on to higher education make up well over 80 percent of our adjudicated population." "JAG: 2013 Annual Report," 7. <http://www.jag.org/sites/default/files/01-JAG%20Annual%20Report%20-%20FINAL.pdf>

¹¹ Corcoran, "Collective Impact," 7.

¹² http://www.un.org/esa/population/publications/expertpapers/Urdal_Expert%20Paper.pdf

people in the history of the planet – some call it the ‘youth bulge’ – is ready or poised to enter the current labor market.”¹³

These statistics are notable because they reflect the potential of youth, in terms of economic prosperity, social stability and human capital. Communities and nations have an opportunity to benefit enormously by coming together to reverse the trend and provide youth with viable pathways to educational and career success.

SOLUTIONS

Most of the United Way CEOs who participated in our survey (65 percent) did not feel that any single action or program would make a difference in improving youth employment for youth with differing levels of educational attainment. Their more in-depth responses, along with existing research, recommendations and the hands-on work by United Way and other organizations, all point to the need for a multi-pronged strategy:

- 1. Educational pathways that incorporate competency-building**
- 2. Employment pathways focused on skills training and work experience**
- 3. Community supports to address systemic barriers faced by youth**

These three strategic components form the basis for a true “cradle-to-career” continuum: a talent pipeline that prepares the next generation for the jobs of tomorrow, supplies business with skilled workers that meet the demand of their customer base, and gives rise to a generation of people who feel connected to and invested in the success of their communities.

All of these strategic components require robust private/public partnerships to drive the greatest possible impact. Much of the recent discourse on youth employment has focused on employer-driven solutions, and rightfully so. In fact, all of the participants in our survey agreed about the importance (87 percent said important, 13 percent said somewhat important) of the business community working with the education system (K-12) and career and technical education (CTE). However, as we examine each of these strategic components in turn, it will become apparent that cross-sector collaboration will require not only business leaders, but a broad range of players that includes “K-12 systems, community-based organizations (CBOs), the postsecondary education system, employers, the child welfare-system, the juvenile justice system, and other key stakeholders.”¹⁴

Therein lies perhaps the greatest gap: among United Way’s Community Leaders Panel, 76 percent saw a coordinated effort across multiple sectors as very important in reducing youth unemployment, but only 15 percent indicated they currently have one in their community. This also represents a great potential: another 44 percent of United Way leaders surveyed indicated they are currently working on initiating such an effort.

The expertise, resources and passion needed to drive true collective impact on youth employment already exist; nevertheless, it will take unprecedented leadership and cooperation to adequately leverage the power of communities around the world.

¹³ <http://blogs.worldbank.org/voices/jobs-youth-winning-strategy-end-global-poverty>.

¹⁴ Corcoran, “Collective Impact,” 8.

EDUCATIONAL PATHWAYS

In 2012, the average high school graduation rate in the United States reached 81 percent, the highest level ever recorded. Increasing the number of high school graduates has been a cornerstone of United Way's mission to build stronger communities, and United Way's survey findings underscore this: 45 percent of participants included shoring up and supporting the education system in their top three recommended strategies for youth who have not graduated from high school or secondary school.

United Way's approach to increasing the high school graduation rate is predicated on the argument that a person's journey to dropping out of high school does not actually begin in high school. Our partner Attendance Works, and others focusing on attendance, note that a child's attendance rate in 9th grade is a better indicator of dropping out than 8th grade test scores.¹⁵ Of course, there are even earlier potential "off-ramps" from the road to high school graduation that a young person can encounter. Annie E. Casey Foundation research finds that children who don't read proficiently by the end of 3rd grade are four times more likely to drop out of high school down the road.¹⁶

Quality education is a continuum that begins before a child ever enters school. That is why United Way puts such a priority on early education with worldwide campaigns like *Born Learning*, which provides tools for parents to turn everyday moments into learning opportunities, effectively empowering parents to become their child's first teacher. To date, between 300 and 400 local United Ways around the world have adopted *Born Learning*. Our success in the early education area can also be seen in initiatives like **United Way Bright Beginnings**, an innovative early education initiative in **Houston, Texas** that is designed to help children from lower-income families achieve social, emotional, physical and cognitive milestones and enter school ready to succeed. The results are inspiring: over 10 years, United Way Bright Beginnings alumni scored higher than their peers on 45 of 51 standardized tests, 53 percent of United Way Bright Beginnings centers have achieved national accreditation, compared to approximately 5 percent of all child care centers in Houston, and in 3rd grade, United Way Bright Beginnings alumni scored "advanced" on their state reading exams at nearly twice the rate of their peers.

The middle grades also matter: as at-risk students transition into 6th grade, many tend to see their absentee rates go up and their test scores go down. **Jacksonville, Florida** middle school students enrolled in **United Way Achievers for Life** initiative are reversing that trend. Among students who participated in this tutoring and mentoring initiative, severe absenteeism decreased by 91 percent, multiple suspensions decreased by 79 percent, the number of students with a D or F in English decreased by 67 percent, and the number of students with a D or F in math decreased by 74 percent.

United Way has also produced significant results in supporting students as they make the transition from middle school to high school. For example, in **Winston-Salem, North Carolina**, United Way has leveraged tutoring, family engagement, counseling, and mentoring to increase the graduation rate of Parkland Magnet High School, its lowest performing high school, by 16.2 percent, while also doubling the number of students passing end-of-grade tests at Philo-Hill Magnet Academy, a middle school that feeds Parkland High School.

¹⁵ Easton, John Q. and Elaine Allensworth, "What Matters for Staying On-Track and Graduating in Chicago Public Schools." July 2007, <http://ccsr.uchicago.edu/publications/what-matters-staying-track-and-graduating-chicago-public-schools>.

¹⁶ Annie E. Casey Foundation, "Double Jeopardy: How Third-Grade Reading Skills and Poverty Influence High School Graduation," <http://www.aecf.org/m/resourcedoc/AECF-DoubleJeopardy-2012-Full.pdf>.

United Way is just one of many organizations and individuals working to boost high school graduation. Many of the leading voices on the topic of youth employment have made reference to **Project U-Turn in Philadelphia, Pennsylvania** as a potential model for cross-sector solutions to youth employment. Project U-Turn focuses on providing alternative education pathways for youth who are out of school, bringing together “representatives of the School District, city agencies, foundations, youth-serving organizations, parents, and youth themselves in a citywide collaborative” to, among other things, create thirteen schools specifically for off-track and out-of-school youth. These Accelerated Schools in Philadelphia, coupled with a re-engagement center to enroll high school dropouts in other educational options and an education support center aimed at supporting educational pathways for youth in dependent and delinquent care, have helped increase the city’s high school graduation rate by 12 percent. These are exactly the kind of educational “on-ramps” that must be a part of any truly comprehensive collective impact strategy for youth employment.

We know that a high school degree remains a major indicator of an individual’s ability to move out of poverty and onto more solid financial ground. The lifetime earnings of a high school graduate in the United States are estimated to be \$400,000 more than those of a high school dropout.¹⁷ Around the world, the correlation between education and employability is clear; in 2010, “in 25 out of 27 developed countries, the highest unemployment rate was among people with primary education or less.”¹⁸ Nevertheless, the landscape of the labor market is shifting – in large part due to the forces of globalization and the advent of new technologies. Over the next decade, more than 75 percent of jobs will require skills and credentials above and beyond a high school diploma.¹⁹

If we are to prepare youth for a labor market that increasingly requires more than a high school degree, then we need to do more to help youth who are seeking transition into some form of postsecondary education (not necessarily to mean traditional two- and four-year colleges in all cases). In 2015, United Way will issue its *National Roadmap to Increase Postsecondary Access and Completion*. As with United Way’s other roadmaps on early grade proficiency and middle and high school success, this roadmap will also rely on multi-sector collaboration between school systems, students, parents, employers, government agencies, faith and civic groups, and other non-profit organizations.²⁰

Many of the strategies that will be included in our *National Roadmap to Increase Postsecondary Access and Completion* are already being implemented in some communities. For example, in **Brownsville, Texas**, United Way supports an **All In** initiative to double the number of young adults who achieve postsecondary credentials with labor market value by 2025.²¹ Among their many strategies are orientation and assistance with the Free Application for Federal Student Aid (FAFSA) and the use of Student Ambassadors (local college student volunteers) who return to their high school alma maters to foster a “college-going culture” – both of which are essential planks of the upcoming roadmap. In its first year, 47 percent of students who participated in All In successfully completed FAFSA; only two years later, that number had increased to 94 percent.

¹⁷ The Annie E. Casey Foundation, “Youth and Work: Restoring Teen and Young Adult Connections to Opportunity,” 7. Download at <http://www.aecf.org/resources/youth-and-work/>.

¹⁸ <http://www.weforum.org/community/global-agenda-councils/youth-unemployment-visualization-2013>

¹⁹ Annie E. Casey Foundation, “Youth and Work,” 6.

²⁰ United Way’s other roadmaps are available at <http://www.unitedway.org/blog/entry/charting-a-course-for-change>.

²¹ United Way of Southern Cameron County highlighted Brownsville’s All In initiative in their response to a survey of the United Way Community Leaders Panel, October 2014.

While we seek to enhance successful programs already underway and take best practices for postsecondary education to scale, we must remember to look at the postsecondary landscape as more than just a path to a degree. Consider a few statistics provided by a Manpower Group report:

In China nearly 30% of university graduates have difficulty finding employment upon graduation; in the Middle East, university graduates are often unemployed for up to three years of graduation... [and] only about 25% of India's 3.7 million college graduates each year are considered work ready for the country's booming technology sector.²²

Even a university degree is no guarantee in today's global labor market. Our survey participants' own thinking on the issue squares with this: when it comes to youth who already have a high school degree or above, a greater portion of our participants placed more importance on increasing the number of youth knowledgeable of and prepared for careers in high demand sectors (e.g., "Science, Technology, Engineering, and Math," or STEM) than on support for traditional education.²³ This brings us to the next strategic component: employment pathways that serve as an extension of the educational pathways (i.e., a school-to-work continuum).

EMPLOYMENT PATHWAYS

Certain top strategies agreed upon by our survey participants cut across all education levels: (1) supporting the creation of more internships, work-study programs and entry-level jobs, improving alignment between the education system (K-12) and career and technical education (CTE); (2) ensuring that youth acquire soft skills needed in the workplace (e.g., working on teams); and (3) creating and expanding mentors with jobs and experience with youth who don't have either one.

Our examination of the existing research and on-the-ground work supports their conclusions, but to understand why these employment strategies are the right ones, we must first delve into the two fundamental challenges that make them so necessary. The first challenge is the growing mismatch between the jobs that businesses are hiring for and the skills (or lack thereof) that youth usually have to offer. The second challenge is the vicious cycle of missing work experience, with employers preferring to hire people with prior work experience and youth naturally being unable to garner the requisite experience without first being hired.

Closing the Jobs Gap: The issue of a growing job skills gap is one of increasing urgency for employers. According to a report of Harvard Business School's third annual survey on U.S. competitiveness, "the way we develop skills after high school and on the job" is not robust enough to meet the demands of the market.²⁴ Surveys conducted since 2006 by Manpower Group show that increasing number of employers sees a "lack of technical skills" as one of the greatest impediments to meeting their hiring needs.²⁵ Many employers are already engaged in collaborative efforts to

²² Manpower Group, "How Policymakers Can Boost Youth Employment," 16.
http://www.manpowergroup.com/wps/wcm/connect/d2ef580f-8cea-4e22-afcb-495998121435/How_Policymakers_Can_Boost.pdf?MOD=AJPERES

²³ Among our participants, 29 percent and 23 percent thought supporting the education was a priority strategy for youth with postsecondary and high school/secondary degrees respectively, compared to 39 percent and 35 percent who thought career-oriented strategies like STEM were a priority for youth with postsecondary and high school/secondary degrees respectively.

²⁴ Porter, Michael E. and Jan W. Rivkin, "An Economy Doing Half Its Job: Findings of Harvard Business School's 2013-2014 Survey on U.S. Competitiveness," 21. <http://www.hbs.edu/competitiveness/Documents/an-economy-doing-half-its-job.pdf>.

²⁵ Ibid.

develop workforce skills, but in too many cases there are “poor information flows along the ‘supply chain’.” Simply put, the problem is that employers – who represent the demand for talent – are not communicating what they need to educational institutions – the suppliers of talent. Nor is the information reaching job-seekers. America has a vast array of diverse “micro-labor markets” with incomplete information flows, causing gaps and unfilled demands.²⁶

Job’s for America’s Graduates (JAG), a school-to-work transition organization that is supported in part by multiple local United Ways, has had enormous success bridging this gap between educators and employers.²⁷ JAG starts engaging students in middle school, combining classroom instruction with competency-based curriculum, adult mentoring, career advisement and support, summer employment training, student-led leadership development, job and postsecondary placement services, 12-month follow up services, and a comprehensive Internet-based tracking and reporting system to keep themselves accountable for their performance outcomes.

JAG’s competency-based curriculum is particularly intriguing; it consists of up to 88 basic competencies (ranging from critical thinking to resume-writing, fundamental work ethic and more), including 37 core competencies that have been reviewed by employers, principals, counselors and curriculum specialists. Integrating these workplace competencies into a student’s academic experience is essential; they form a foundation of “soft skills” upon which to build broad vocational/professional training and eventually, in some cases, micro-training for certain job sectors. JAG’s success rate underscores just how effective this model can be: to date, they have maintained a 91 percent graduation rate in the nearly 1,000 classrooms in 31 states in which they operate; doubled the rate of employment for poor and disadvantaged youth (tripling the rate of full-time employment compared to non-participants); and doubled the rate of enrollment in higher education (with almost all of their participants being first in their families to attend college).²⁸ By the end of 2014, more than 1 million students will have enrolled in a JAG program.

Professor Harry Holzer at Georgetown University is a big proponent of layering “sectoral micro-training” on top of “soft skills” training.²⁹ In order to connect opportunity youth with such tailored jobs training, the Annie E. Casey Foundation makes an important point that “successful adult workforce programs could also be expanded to serve youth.”³⁰ The authors of the report go on to specifically highlight the **National Fund for Workforce Solutions (NFWS)**:

One national model for adults is the National Fund for Workforce Solutions, which has built funding and workforce partnerships in more than 30 communities and partnered with businesses ready to hire. These sites could expand to serve youth by offering new ‘earn/learn’ initiatives in specific industry sectors. Employers already involved in these partnerships might be encouraged to expand their investments to serve young people and help address skills shortages that will emerge as older workers retire.³¹

²⁶ Ibid, 24.

²⁷ Additionally, Stacey D. Stewart, President of Way’s U.S. Network, is a JAG board member.

²⁸ JAG: 2003 Annual Report, 6. In addition, the aforementioned All In initiative in Brownsville, Texas also works with educational institutions and employers to align academic curricula, paid internships, mentoring opportunities, and “soft skills” training – all with the express purpose of designing an academic career that prioritizes future employability.

²⁹ Manpower Group, 19.

³⁰ The Annie E. Casey Foundation, “Youth and Work,” 12.

³¹ Ibid, 12-13.

Among local United Ways currently engaged in workforce collaboratives funded by NFWF, **Des Moines, Cincinnati, and Hartford** have achieved especially impressive results. In Des Moines, **Central Iowa Works (CIW)** is a private/public partnership that focuses on four key industries: financial services, healthcare, advanced manufacturing, and construction/energy. Together with employers, the collaborative has identified the specific skills – soft and technical – that are needed for these sectors.³² Career pathway maps were created, including new curricula that include both on-the-job training and classroom instruction (in some cases, private-sector representatives actually lead the classes). So far, the collaborative has served 2,685 individuals, with 2,456 completing training, 602 obtaining employment, and 408 earning a wage increase.

In Cincinnati, a similar approach implemented by **Partners for a Competitive Workforce (PCW)** has successfully trained 7,844 people for in-demand jobs, with 81 percent of participants obtaining jobs so far, and 73 percent of those employees retaining their positions after more than a year. In addition, participants saw an average increase of \$7,500 in their annual earnings.

Finally, in Hartford, the **Workforce Solutions Collaborative of Metro Hartford (WSCMH)** has engaged 70 companies across 4 industry sectors (transportation, logistics, manufacturing, and healthcare). Since the collaborative's inception, over 1,500 participants have received career development services, over 500 have earned industry-recognized credentials, and nearly 300 have gained employment and/or increased their wages. One of WSCMH's biggest successes is Metro Hartford Alliance for Careers in Healthcare (MACH), a partnership of 37 hospitals, community-based care providers, long-term care facilities, educators, public agencies and others. In July 2014, Vice President Biden highlighted MACH's Enhanced Certified Nurse Aid program – designed to meet employer needs for better-trained and prepared nurses – as an innovative model for the nation.

Notably, in Hartford, Cincinnati and Des Moines, businesses that are normally competitors are still able to come together around a common cause and agree to not poach employees. They recognize that a collective impact strategy to address their employment needs does not constitute a zero-sum game, but rather a rising tide that can lift all boats.³³ The same collaborative spirit from the private sector extends to many United Way skills training initiatives worldwide. Here are three examples:

- In **Brazil**, United Way recruits volunteers from the private sector to lead training courses for youth aged 15-21, in areas ranging from financial education to development of entrepreneurial skills, marketing, accounting, English and more. By the end of 2014, more than 500 youth will have participated in these training courses. One of the most successful aspects of the initiative was led by 41 volunteers from DuPont, who facilitated 13 training modules in the first semester of 2014, covering subjects such as business planning, customer service and finance. More than 90 percent of the young participants said the DuPont-administered training modules contributed to their professional development.
- With the **Flying Challenge initiative**, United Way has partnered with Airbus Corporation Foundation in **Toulouse, France; Madrid, Spain and Wichita, Kansas** to promote

³² This approach addresses an important issue raised in the Harvard Business School report of its alumni survey: that the term “middle skills” – now bandied about quite frequently in discussions about youth employment – is inherently problematic, because it erroneously implies that “middle skills” jobs in completely different sectors require the same standardized set of skills. Porter and Rivkin, 24. Sector-based initiatives like the ones in Des Moines, Cincinnati and Hartford take this into consideration, customizing their curricula according to the needs of particular sectors, rather than trying to force a blanket solution.

³³ This success is exactly what the report of the Harvard Business School's recent alumni survey calls for: “Companies that need similar skills should work together to build future workforces rather than simply poach scarce talent from one another.” Porter and Rivkin, 25.

middle school success, keep students engaged in school, and inculcate them at an early age with the soft skills needed to transition into a career. Overall, 260 students have engaged in mentoring and tutoring, career awareness activities and student workshops led by more than 130 Airbus employees and more than 60 college mentors.

- In the **York Region of Southern Ontario, Canada**, United Way is committed to tackling the area's 20 percent youth unemployment rate. United Way joins York University and ventureLAB in a partnership called **communityBUILD**, which is focused on both food insecurity and youth unemployment. Recently, the partnership issued an innovation challenge to social entrepreneurs in the Greater Toronto region. Two out of the three winning ideas (each of which have received \$5,000 consulting grants) addressed youth employment: the first was Cultivating Opportunities (connecting youth with mental health issues to work on organic farms) and the second was entrePATH (connecting students from Seneca College with entry-level positions at technology firms).³⁴

Connecting Youth to Work Experience: Skills training is a key ingredient in any effective employment pathway, but the Annie E. Casey Foundation notes that, "in the end, work itself is the strongest 'program.' Early job experience increases the likelihood of more work in the future, as well as more employer-sponsored education."³⁵ As mentioned previously, youth often find themselves trapped in a vicious circle when it comes to work experience: employers won't hire them without experience but, paradoxically, youth can't get that experience unless employers hire them.

That said, early work experience is beneficial for reasons that extend beyond satisfying the expectations of prospective employers. That "poor information flow" along the talent pipeline goes both ways, with many youth never having the opportunity to discover through hands-on experience what kind of work they enjoy and are good at. Consider United Way's **Youth Employment Program in Jacksonville, Florida**: with support from the Jessie Ball duPont Fund, JP Morgan Chase & Company, The Bank of America Charitable Foundation and the Wilson Foundation, United Way partnered with several other nonprofits to connect youth with employers from small businesses, nonprofits and companies in Jacksonville's growth industries.³⁶

During 6-week paid summer internships (both part- and full-time), Employer Coaches share their insight and experience to help young people prepare for future careers. One of the primary focuses of the internships, once again, is the development of soft skills. So far, more than 300 youth have participated in the initiative. Rico Simmons, an employee of Aetna and a volunteer Employer Coach with the program, has seen first-hand the value of early work experience for youth. He notes that one of his interns was pleasantly surprised to find that the office environment was not nearly as stifling as he had feared.

At the same time, another intern realized after engaging in the program that he would prefer a career path outside the cubicle – the kind of personal revelation that Rico believes is essential for each individual youth, and one that is not possible without that often elusive hands-on experience.

³⁴ <http://york.unitedway.ca/2014/in-the-community/addressing-critical-issues-in-york-region-through-social-innovation/>.

³⁵ Annie E. Casey Foundation, "Youth and Work," 8.

³⁶ <https://www.unitedwaynefl.org/youth-employment/>

A continuum of early work experiences is what's needed, "including volunteer and community service, summer and part-time jobs, work-study experiences, internships and apprenticeships."³⁷ The data underscores the long-term benefits for the labor market: in Germany, for example, which has one of the most highly developed national strategies for apprenticeships, the youth unemployment rate in 2011 was 7.8 percent, the lowest for any European nation at the time.³⁸ Switzerland also employs a highly developed vocational education and training model that relies heavily on apprenticeships, and they also experienced far less youth unemployment than other Organisation for Economic Co-operation and Development (OECD) nations (1.4 percent youth unemployment in Switzerland at the height of the recent recession, compared to an average of 4 percent youth unemployment across all OECD nations).³⁹

Economics and politics blogger Matthew Yglesias highlights analysis by Joseph Parilla and Alan Berube of the Brookings Institute that points to the German model as an exemplar. However, Yglesias also joins Parilla and Berube in sounding a cautionary note about the capacity of the U.S. government to replicate that model:

The German economy is a much more collaborative enterprise than the American economy. Employers group together in what would probably be considered illegal cartels in the United States to work with government officials to define what kinds of certifications and training programs they need. But that strong employer-state collaboration is tempered by a much more powerful voice for organized labor than exists in the United States. In America, if a bunch of employers got together with the local schools to start providing a captive low-wage workforce for major area employers we wouldn't consider it useful job training — existing workers would consider it a threatening effort to gut their living standards.⁴⁰

So while a U.S. national framework for vocation education and training akin to those of Germany and Switzerland may not be feasible, the workforce collaboratives in Des Moines, Cincinnati and Hartford demonstrate that, on a local and regional level, cooperation between employers and educators is worth pursuing.⁴¹ Recently, a statewide initiative called **Opportunity Iowa** successfully allocated an additional \$23.5 million in government investment in community colleges,

³⁷ Annie E. Casey Foundation, "Youth and Work," 8. United Way's work around the world is fueled by more than two million volunteers, and we have frankly undersold the value of volunteerism to young people — not just as a benefit to the people they are helping, but also as a resume-building experience for the volunteers themselves.

³⁸ Manpower Group, 24.

³⁹ Natalie Branosky in order to, et al., "Youth Employment: Global Solutions for the Modern Economy," 17. <http://www.nawb.org/documents/Youth%20Employment%20-%20Global%20Solutions%20July%202014.pdf>.

⁴⁰ Matthew Yglesias, "Youth unemployment is a huge crisis, Germany may have the solution," <http://www.vox.com/2014/4/7/5589902/youth-unemployment-is-a-huge-crisis-germany-may-have-the-solution>.

⁴¹ Also, there are plenty of government-run apprenticeship programs that, while perhaps not constituting the unified national frameworks of countries like Germany or Switzerland, still show enormous promise. The Department of Labor's Registered Apprenticeships program, for example, combines paid, hand-on training with classroom instruction. The federal government reaps \$50 in revenue for every federal dollar invested in the program. Likewise, employers participating in the program more than make their money back, enjoying an ROI of \$1.40 for every dollar they put in. Young Invincibles strongly supports expanding the program to include 600,000 more people, which they assert would translate into an additional \$74.4 billion worth of social benefits to the national economy over the lifetime of each graduating class. They also support expanding AmeriCorps — a program that receives more than 500,000 applicants for only 82,000 positions and garners the nation \$2.50 in social benefits for every \$1 invested in the program. O'Sullivan, 12. Interestingly enough, one of the seven winning ideas crowd-sourced in a global youth employment challenge led by the Global Clinton Initiative was modeled after AmeriCorps. TechCorps, as the idea was dubbed, would place tech-savvy Millennials in one-year paid internships across various sectors. The details of this proposal and the other six winning ideas can be found at <https://openideo.com/blog/announcing-our-youth-employment-winning-ideas>

including \$5.5 for adult education.⁴² This initiative is based on a comprehensive model created by **Opportunity Nation**, a bipartisan, national campaign comprised of more than 300 partners (including United Way) that promotes cross-sector solutions to address youth employment.⁴³

Professor Robert Lerman at American University believes many more major employers would be willing to fund sector-based apprenticeships. Moreover, he observes that, “in the U.S., about 400,000 people participate in apprenticeship programs, often sponsored by labor unions, while there are probably 1.5 million jobs that could potentially be aligned with an apprenticeship model for training and hiring.”⁴⁴ There certainly is more room for growth when it comes apprenticeship and similar job-shadowing programs, and every day more companies are stepping up to the plate.

The **Clinton Global Initiative’s Grads for Life** initiative, a national PSA, TV, radio and print campaign, aims to connect more leading employers with proven employment pathways for opportunity youth, including mentoring, school-to-work initiatives, internships and hiring. The efficacy of the Grads for Life campaign can be seen in such success stories as **12 for Life**, a partnership between the Carroll County, Georgia schools system and Southwire, a wire and cable manufacturer. Through the 12 for Life initiative, students are able to continue their studies while earning crucial real-world experience and training working at a Southwire manufacturing plant. Thirty-nine percent of 12 for Life graduates have progressed to a postsecondary education, and 15 percent have been hired as full-time employees at Southwire. So far, the initiative has helped more than 600 students earn their high school diploma.

Likewise, major companies like PG&E, JPMorgan Chase and Bank of America have funded **San Francisco Jobs+**, an initiative that connects youth aged 14-24 with jobs, internships and paid training. The initiative began in 2012 with a partnership between United Way, the office of Mayor Ed Lee and the City of San Francisco, born from conversations with the community that highlighted the need for more involvement from employers. In its third year, the initiative connected 7, 678 youth to work opportunities with 131 employers (including nonprofits and companies like Levi’s and Starbucks), and more than half of the positions with companies were permanent.⁴⁵

Taking those kinds of public/partnerships to scale around the world will require more involvement from multi-national corporations. The **Clinton Foundation** has taken a major step in that direction with **Job One**, an initiative that has already secured commitments from 10 major companies to 1) create more training hiring and mentoring opportunities for youth, and 2) reach out to other business to share best practices and communicate the benefits of engaging youth.⁴⁶ The ultimate goal of Job One is to foster a worldwide movement of businesses actively collaborating with the nonprofit and public sectors to establish more career pathways for young people. Many corporations have taken similar pledges, including Accenture, whose **Skills to Succeed** initiative

⁴² <http://opportunitynation/opportunity-iowa/>

⁴³ Opportunity Nation also supports the advancement of legislative solutions to address this issue. These include an overhaul of the federal Perkins Career and Technical Education Act (CTE), which would empower young people with much-needed career and technical skills, and the American Dreams Account Act, which would help students prepare and save for a postsecondary education. A major legislative victory for Opportunity Nation came in the summer of 2014, when the Workforce Innovation and Opportunity Act (WIOA) passed with bipartisan support. The WIOA reauthorizes and modernizes the Workforce Investment Act, and designates \$3 billion to fund state and local workforce initiatives. <http://opportunitynation.org/workforce-innovation-and-opportunity-act/>

⁴⁴ Manpower Group, “Policymakers,” 25.

⁴⁵ San Francisco Summer Jobs+ is part of the national Summer Jobs+ initiative. This larger initiative, coupled with another called Summer Jobs, “placed 367,000 young people into jobs between 2009 and 2010.” Branosky, 26.

⁴⁶ <https://www.clintonfoundation.org/clinton-global-initiative/campaigns/job-one>

aims to equip 250,000 people around the world with the skills needed to get a job or build their own business by 2015.⁴⁷

Starting one's own business can be a viable alternative employment pathway, and in some regions of the world, the need to support entrepreneurship is critical. For example, a field research study conducted by the Boston Consulting Group found that, "in several African countries only one job exists for every six to seven potential applicants."⁴⁸ The International Labor Office recommends four key strategies to promote youth entrepreneurship:

(1) support an entrepreneurial culture by including entrepreneurship education and training in school; (2) enact regulations that promote the development of sustainable micro and small enterprises, cooperatives and social businesses; (3) ease access to finance, including by guaranteeing loans and supporting micro-credit initiatives; and (4) increase the range of support services (e.g., marketing, distribution chains, exports, public procurement) available to young entrepreneurs.⁴⁹

According to the Youth Employment Inventory initiated by the World Bank, entrepreneurship promotion strategies demonstrated greater impact on employment creation than any other strategies reviewed.⁵⁰ Once again, success will rely on cross-sector solutions; as the World Economic Forum states: "Stakeholders, such as not-for-profit organisations, large local and multinational companies, well-established entrepreneurs and others need to come together in networks to create an ecosystem in which entrepreneurship can flourish."⁵¹

That term "ecosystem" is worth noting, because it underscores the reality that there are a whole range of environmental, or systemic variables that must also be taken into consideration. The availability of a quality education or decent paying job has little impact if health or financial stability issues keep a young person from the classroom or workplace. This is why United Way has adopted comprehensive strategies to address education, financial stability and health, rather than focus on a single issue, and this why we believe that broader community supports must be included in any effective, long-term approach to improving youth employment.

COMMUNITY SUPPORTS

Every year, the Center for Strategic and International Studies (CSIS) and the International Youth Foundation release a Global Youth Wellbeing Index, which gives regional scores across six domains of youths' lives, including citizen participation, economic opportunity, education, health, information and communications technology, and safety and security. The most recent Index came out in April 2014, and "Of the nearly 70% of the world's youth represented in the Index, 85% were found to be living in countries with below average or low levels of composite wellbeing."⁵² In other

⁴⁷ <https://www.clintonfoundation.org/clinton-global-initiative/commitments/skills-succeed>

⁴⁸ Manpower Group, 10.

⁴⁸ International Labour Office, 69.

⁴⁹ Ibid, 70. The Youth Employment Index is "the first comprehensive database to provide comparative information on youth employment interventions worldwide." Learn more at <http://www.youth-employment-inventory.org/>

⁵⁰ http://www.weforum.org/pdf/GEI/2009/Entrepreneurship_Education_Report.pdf.

⁵¹ Nicole Goldin, "Addressing the Youth Employment Challenge: Beyond the Skills Gap." <http://csis.org/publication/addressing-youth-employment-challenge-beyond-skills-gap>. For more information on the Youth Index, see <http://www.youthindex.org/>.

words, the majority of youth live in environments with multiple potential impediments to success in school and the workplace.

Of young people in the U.S., the **Annie E. Casey Foundation** notes that, “many of these youth must overcome challenges beyond their control, such as childhood poverty, living with a single parent, growing up in a household or neighborhood with few role models of working adults and attending low-performing schools.”⁵³ Those are just a few of the environmental factors that can diminish a young person’s success in school or work. For example, research shows that children and youth without access to a healthy breakfast every day perform worse on tests than their peers.⁵⁴ At the same time, there is data that shows that people who are obese as adolescents grow up to earn 16 percent less than their peers (even if they are not obese as adults), likely because being overweight as youth shut them out of experiences (e.g., playing on a sports team) that help people develop the kind of soft skills that employers look for.⁵⁵ For this reason, United Way incorporates access to healthy foods into its broader strategy to help young people succeed. In **Toledo, Ohio**, for example, United Way and partners successfully pushed for every child in the public schools to get a healthy breakfast in school every day – for free.

Other environmental factors can be significant enough to not just limit a young person’s performance or progress along the from the education and employment pathway, but ultimately remove them from it entirely. For example, research shows that teenage pregnancy is a major contributor to high school dropout rates among girls.⁵⁶ In **Milwaukee, Wisconsin**, though, United Way and partners have succeeded in cutting the teenage birth rate in half since 2006.

In developing nations, the structural barriers to success in school and work can be even more fundamental – so much so that youth never get on the pathway to begin with. Consider this example: with support from United Way and partners, the digging of a new mechanized borehole in southern **Ghana** now provides drinkable water to the 4,500 residents of Pamdu and its neighboring community of Paninamisa. Before that, residents used to walk for hours every day on dangerous roads to collect drinkable water, cutting into time they could have spent learning in the classroom or on the job. If we cannot also address something as simple and basic as access to clean water, then even the most sophisticated youth employment strategies will yield limited gains.

These kinds of systemic barriers create a cost for employers as well. Issues like a lack of reliable transportation, childcare, or a sudden added expense arising from an unforeseen health issue can create high rates of turnover in the workforce, and that can affect a company’s bottom line. In **Chittenden, Vermont**, United Way leads an employer collaborative called **Working Bridges** that aims to increase job retention and decrease absenteeism with a wide range of strategies, including an employer-based loan/savings program, on-site GED, ELL and financial literacy classes, free tax preparation assistance at the workplace and more.⁵⁷ Right now the collaborative’s efforts

⁵² Annie E. Casey Foundation, 5.

⁵⁴ Grantham-McGregor, Sally. “Can the provision of breakfast benefit school performance? Food and nutrition Bulletin. Vol. 26, Supplement 2, June 2005, 144-158.

⁵⁵ “The economics of obesity: one big problem,” <http://www.economist.com/blogs/freeexchange/2014/10/economics-obesity?fsrc=rss>. The study refers to “‘noncognitive factors’ – motivation, popularity and the like,” that overlap with characteristics of soft skills development. Of course, this potential employment-related drawback to childhood obesity is in addition to a whole host of health-related dangers for the individual, as well as associated public health costs that create a drag on the economy.

⁵⁶ “Only about 10 percent of teen mothers receive a high school diploma by 22 years of age, versus approximately 90 percent of women who had not given birth during adolescence.” <http://www.cdc.gov/teenpregnancy/aboutteenpreg.htm>

⁵⁷ <http://www.unitedwaycc.org/resources-for-companies/working-bridges/>.

are not focused specifically on young workers, but this is another model – like the workforce collaboratives in Des Moines, Hartford and Cincinnati – that could be adapted to support youth in early work experiences.

The importance of these wrap-around community supports underscores how much the roadmap from a quality education to employment must include what the Annie E. Casey Foundation calls “multiple and flexible pathways.”⁵⁸ This approach is necessary to accommodate the diverse array of experiences that youth face as they navigate challenging structural impediments that they often have little to no control of. Identifying and understanding the potential “off-ramps” that take youth off the pathways to success is necessary to support effective “on-ramps” or alternative pathways that can get youth back on track to employment.

The Annie E. Casey Foundation also calls for a “two-generation” approach, noting that, “sites rarely bundle services and support for parents and children.” The Community Schools model, supported by many local United Ways, actually does exactly that. The model essentially transforms schools into community hubs: “one-stop shopping” destinations for all residents to get connected with education, financial stability and health services. For example, in one district in **Salt Lake City, Utah**, a United Way community school is credited with improving language arts proficiency and math proficiency among 6th graders by 14 percent and 15 percent respectively. High school graduation rates have also increased: in the South Salt Lake community, the graduate rate is up 17 percent. At the same time, a mobile health clinic has increased the number of children immunized by 36 percent. More families are also being connected to regular medical care; in one community, the number of families receiving ongoing preventative or regular health care has increased by 32 percent.

CONCLUSION

Youth employment is an issue that no single organization, nor sector for that matter, can solve alone. Collective impact strategies can move the needle for opportunity youth if they engage multiple sectors and focus on education, employment and wrap-around community supports. It’s already happening; organizations like JAG, Young Invincibles, Opportunity Nation, the Clinton Foundation and many more are implementing cross-sector solutions and making a difference. United Way is also engaged in coordinated efforts in multiple communities; admittedly, though, the results of our survey indicate that there is considerable room for growth.

The problem is not simply that there are too few communities tackling this issue in a coordinated way; it’s also that effective solutions are too often fragmented. One of the many findings in the recent Harvard Business School report affirms this point, noting that, “successful efforts that emerge in one locale are too rarely replicated elsewhere.”⁵⁹ For United Way, this is an important challenge, especially given our local approach to community change. Our network consists of nearly 1,800 local United Ways in some 41 countries and territories, with each United Way focuses on the local needs and aspirations of its community.

On the one hand, this approach is rightly predicated on the reality that one-size-fits-all strategies are not usually very effective. As the report by Manpower Group notes, “Solutions will...take forms

⁵⁸ The Annie E. Casey Foundation, 7.

⁵⁹ Porter and Rivkin, 18.

based on the diverse economic environments in which young people find themselves around the globe.”⁶⁰ Even just within the United States, youth employment and youth disconnection rates vary dramatically depending on race/ethnicity and geography.⁶¹ This rootedness in diverse communities is a source of innovation and strength. Yet successful ideas need to be shared and implemented effectively as the costs of failing to engage young people in work are unacceptable. Each of those nearly 1,800 communities represents a profoundly powerful laboratory for change – a fact that brings us to the first of several recommended actions for our network.

Recommended Actions:

1. Community Conversations/ Summits: United Way’s traditional first step of “turning outward” to learn the particular aspirations and concerns of a community is an essential ingredient of any collective impact strategy for youth employment. The United Way Community Leaders Panel surveyed by United Way Worldwide represents a bird’s-eye view, and it’s garnered us some valuable insights, but we also know that the causal factors for youth unemployment differ by nation, region, and community. Community conversations, or summits of community residents and sector leaders, have proven indispensable for determining root causes, giving voice to residents and potential partners, and beginning the process of aligning a broad and deep set of strategies to tackle the issue.⁶² In addition, regional or national summits offer the potential opportunity to elevate the issue of youth employment, share best practices and foster broader partnerships. On February 26, 2015, United Way Worldwide will co-convene The National Opportunity Summit with Business Roundtable (BRT), U.S. Chamber of Commerce Foundation, JAG and Opportunity Nation, the host of the event.⁶³ Local United Ways in Europe, where the research has highlighted effective national frameworks for youth employment, and where notable efforts like the Airbus Flying Challenge have already garnered attention and praise, could benefit from organizing an international summit of similar design.

2. Enhanced Data Sharing: When we do identify best practices, taking them to scale will take a larger commitment, not just in terms of greater funding, but also in terms of greater compromise between partners who must align their goals, strategies and performance data. The Annie E. Casey Foundation notes that, “the various systems – workforce, K-12 schools, career and technical education, higher education, child welfare, juvenile justice and community development – often have conflicting priorities, target populations and metrics for success.”⁶⁴ When the World Bank first built the Youth Employment Inventory, it realized that the vast majority of existing efforts lacked a measurement and evaluation component.⁶⁵ Recently, the World Bank Group announced the establishment of Solutions for Youth Employment, a global coalition of nonprofits and businesses

⁶⁰ Manpower Group, 29. The authors of another paper, “Youth Employment: Global Solutions for the Modern Economy,” originally presented at the National Association of Workforce Boards’ Annual Forum in Washington, DC, extrapolate: “The United States has a youth employment policy structure that empowers local communities to draft solutions that fit their specific populations and labor market needs. Local and State Workforce Investment Boards made up of educational institutions, local businesses, unions, community organizations and youth advocates can work together to provide employment and training opportunities for their young people. Additionally, states are free to pass financial incentives to promote programs like apprenticeships within their borders.” Branosky, 29.

⁶¹ Lewis, Kristen and Sarah Burd-Sharps. “Halve the Gap by 2030: Youth Disconnection in America’s Cities. Measure of America,” October 2014.

⁶² <https://online.unitedway.org/harwood>

⁶³ <http://opportunitynation.org/latest-news/news/announcing-2015-national-opportunity-summit/>

⁶³ The Annie E. Casey Foundation, 7.

⁶⁴ Manpower Group, “Policymaker,” 30.

that aims to, among other things, share best practices and data.⁶⁶ Given our widespread network, a pilot cohort of international local United Ways could potentially contribute useful information to such a concerted effort. Alternatively, we should consider partnering with or modeling JAG's aforementioned Internet-based tracking and reporting system.

3. Measurable Engagement with More Companies: United Way has a long history of partnering with the private sector, including a number of major multinational corporations. United Way should engage with companies to seek concrete commitments, ranging from apprenticeship, job-shadowing and paid internship programs to workforce collaboratives that focus on school-to-work transition, incentive programs for young entrepreneurs and more. The Clinton Global Initiative's Grads for Life campaign offers ready-made tools and resources for companies interested in finding employment pathway models that meet their particular hiring needs.⁶⁷ The private sector is becoming increasingly aware of its own stake in the youth employment issue. Further outreach, especially when grounded in measurable outcomes, will attract more business leaders to the movement. When other sector leaders see the kind of resources that business can leverage, they will follow suit. Collective impact can move the needle for youth, for their communities, and for the world.

⁶⁵ <http://www.worldbank.org/en/news/press-release/2014/10/08/global-coalition-tackle-youth-unemployment>

⁶⁶ <http://gradsoflife.org/tools-to-act/>