

Executive Summary

This paper¹ explores the reasons for and implications of youth disconnection from the labor market and subsequent employer lack of engagement with these youth and outlines strategies for mitigate the generally accepted dimensions of disconnection, providing the framework for long-term reconnection.

Chronically disconnected or “opportunity” youth, people age 16-24 who are not connected to school or work and who have one or more barriers to entry into both, often face a future filled with long-term unemployment, low or no income, and/or incarceration. The consequences of not helping these young people succeed are immediate, pressing, and will continue to reverberate both socially and economically until critical steps are taken to increase reconnection and sustainable employment.

Many philanthropic, community-based, and public organizations recognize and skillfully confront youth disconnection challenges. There is less understanding about how the private sector can contribute to youth re-connection. Strategies focusing on meeting employer demand have the potential to leverage and contribute to existing youth-focused efforts, helping to ensure greater impact for both disconnected youth and employers.

The Business Case for Hiring Opportunity Youth

In addition to the social, moral, and economic imperative to help 6.7 million opportunity youth connect to education and jobs, leading employers indicate it also makes smart business sense. Many companies have already started building opportunity youth pipelines, and while the initial motivation to do so varies, the positive outcomes are similar and include:

- **Generating Revenue:** The success of CVS Caremark is a great example of how building a youth career ladder and pathway can increase income through federal, state, and local tax credits.
- **Building Community Support and Brand Recognition:** Particularly in urban centers where youth programs thrive, there are reports of enhanced organizational reputation and consumer recognition, as well as higher sales.
- **Molding the Workforce:** New employees can be more easily trained and enthusiastically embrace employer systems and processes, particularly if they have had fewer employment experiences.
- **Infusing Skills and Energy:** Opportunity youth possess strong digital literacy skills that they can share with their co-workers and that can be used to help improve sales, branding, and recruiting. Their high energy also boosts organizational morale.
- **Increasing Diversity:** The opportunity youth population represents an extremely diverse talent pool of ethnicities, languages, religions, and income brackets.

Supporting Employers of Disconnected Youth

Employers need a set of supports and tools to help them deal with both anticipated and unanticipated challenges of employing disconnected youth. Supports include:

- **Trusted Intermediaries** who can facilitate information sharing and bridge the jobs - talent gap by providing access to jobs and de-risking the hire with pre-employment preparation for workers.
- **Employer Toolkits** like the one created by Gap Inc.², with the support of McKinsey & Company, Corporate Voices for Working Families, and the Taproot Foundation, which provide employers with step by step guidance for recruiting, hiring, training, and retaining disconnected young people.
- **Financial Resources** in the form of federal tax credits and WIOA funding, and state tax credits and subsidies, are all ways of reducing the cost to employers of employing opportunity youth.

Work-Based Strategies to Engage Opportunity Youth

- **Internships** provide a way to make money, gain valuable work experience that can be reflected in resumes, and builds workplace skills.
- **Civic Engagement** with a focus on volunteer-based options that require training, planning, and longer-term commitments, require opportunity youth to develop skills that are necessary for success in any workplace setting.
- **Earn and Learn Programs** combine an opportunity to earn a credential and obtain some form of paid employment and provide structure and strong case management to support the youth being served.

Recommendations for Action

Connect Opportunity Youth to Employment

- ◆ **Integrate infrastructure and services** on the front lines of support for opportunity youth, including One-Stops, social services agencies, community colleges, and juvenile justice personnel.
- ◆ **Adapt services available to disconnected adults/long-term unemployed** to the opportunity youth population (e.g., free or subsidized literacy, numeracy, ESL programs, etc.).
- ◆ **Track progress** with rigorous data collection in order to help sustain and expand the success and funding of opportunity youth programs.
- ◆ **Talk to disconnected youth** in order to understand the details of their circumstances and enable policy makers to be more responsive to the needs of youth.
- ◆ **Connect internships and civic engagement** with the flexible design and implementation approaches associated with earn and learn programs, and elevating these opportunities as components of a robust, comprehensive work-based approach.
- ◆ **Promote access to employers** by educating young people on how and where to search for jobs, and how to capture and communicate skills and achievements to employers, even if they are obtained through non-traditional school or work.

Connect Employers to Opportunity Youth

- ◆ **Build and distribute adaptable, tailored toolkits** to employers interested in building a pathway for opportunity youth at their companies.
- ◆ **Use Tax Incentives and/or Wage and Training Subsidies** to invest in the training and hiring of opportunity youth.
- ◆ **Use Intermediaries and Support Organizations** to recruit, hire, train and support opportunity youth, making employers aware of community intermediaries and their services.
- ◆ **Incent Development of Internship Programs**, which employers often see as risky and unpredictable both in terms of time and cost, particularly with respect to opportunity youth.
- ◆ **Think creatively** about funding streams and make opportunity youth a policy priority when new funding opportunities arise. The Workforce Innovation and Opportunity Act (WIOA) of 2014 provides an apparatus for growing opportunity youth programs.
- ◆ **Use technology to access opportunity youth** when posting job opportunities to increase exposure to young people.
- ◆ **Use intentional job posting to access opportunity** since many positions, particularly at the entry level, do not require a specific credential or set of skills.

¹ <http://skilledwork.org/wp-content/uploads/2015/10/CSW-Opp-Youth-Paper-2014.pdf>

² <http://www.gapinc.com/content/csr/html/community/youth.html>