

The Expanded Talent Pipeline

A Multi-Sector Approach to Scaling Sustainable Impact in Underserved Communities

Jay Banfield

Managing Director, California and Chief Officer of Innovation and Scale
Year Up

Activating Markets for Social Change
April 14, 2016

April 14-15, 2016

Since the Great Recession, the United States labor market has experienced a phenomenon known as “job polarization,” with the majority of the deployed workforce concentrated into the highest- and lowest-paid occupations¹ while mid-level job vacancies remain unfilled.² An estimated 12 million middle skills jobs, positions that require more training than a high school diploma but less than a four-year degree, will go unfilled in the decade leading up to 2020.³ In that time, 47% of all job openings in California, and nearly 50% nationwide, are anticipated to be middle skills positions.⁴ Meanwhile, millions of Americans remain disconnected from the economic mainstream. An estimated 5.5 million of them are between the ages of 16 – 24 and face social, financial, and education barriers that prevent them from proper deployment in the nation’s workforce.⁵ They represent a pool of untapped talent that can fill these roles, given proper training and opportunities.

This inequality gap and the fundamental breakdowns in our labor market are a national problem with consequences for employers as well as low-income communities. If we in the nonprofit, private, education, and policy sectors can come together to create sustainable solutions, we as a nation can better support the overlooked talent in our communities, strengthen our economy, and close this Opportunity Divide.

Year Up – A Solution

One example of a multisector solution to this systemic problem can be found in Year Up. The organization has provided technical and professional skills training to over 13,000 young adults in sixteen urban communities across the U.S. After six months of skills development, students apply their knowledge during a six-month internship with one of Year Up’s 380 corporate partners in the health care, financial services, and technology sectors, e.g., Kaiser Permanente, American Express, Bank of America, Salesforce, and LinkedIn. Students earn college credits and a biweekly stipend throughout their time in program, all the while supported by professional mentors, professional coaches, social services staff, and community partners to help them attain economic self-sufficiency. The program sets high expectations for quality of work and behavior, emphasizing academic and professional rigor while providing a consistently high level of support.⁶

At the time of program entry, Year Up applicants report an average annual wage of approximately \$7,000 per year. Within four months of graduation, 85% of Year Up alumni are enrolled in college full-time or placed in jobs with an average starting salary of \$18/hour. Alumni can boast an average starting salary of \$37,440/year. With an average increase of \$30K in income from applicant to

¹ Nir Jaimovich and Henry E. Siu, “The Trend is the Cycle: Job Polarization and Jobless Recovery,” *National Bureau of Economic Research* 18334 (2014): 2, accessed February 9, 2016, doi: 10.3386/w18334.

² Ann Norris, “Stuck in the Middle: Job Market Polarization,” *Monthly Labor Review*, July 2015, accessed February 9, 2016, <http://www.bls.gov/opub/mlr/2015/beyond-bls/pdf/stuck-in-the-middle-job-market-polarization.pdf>.

³ Edward E. Gordon, “The Future of Jobs and Careers,” *Techniques: Connecting Education and Careers* 84.6 (2009): 29, accessed February 11, 2016, <http://files.eric.ed.gov/fulltext/EJ858227.pdf>.

⁴ “Forgotten Middle-Skill Jobs: State by State Snapshots,” National Skills Coalition, last modified August 27, 2014, <http://www.nationalskillscoalition.org/state-policy/fact-sheets>.

⁵ Kristen Lewis and Sarah Burd-Sharps, “Zeroing in on Place and Race,” *Measure of America* (2015): 1, accessed December 29, 2015, <http://ssrc-static.s3.amazonaws.com/wp-content/uploads/2015/06/MOA-Zeroing-In-Final.pdf>.

⁶ “Year Up: How It Works,” last modified September 7, 2015, <http://www.yearup.org/our-approach/how-it-works/?location=national-us/>.

alumni, Year Up students see dramatic improvement in their financial stability post-graduation. It isn't just a win for the students either; Year Up's corporate partners report a 90% satisfaction rate with Year Up interns, a large percentage of whom are converted to hire for these middle skills positions upon graduation.

These numbers are great news for Year Up's corporate partners, students, graduates, and their communities, but 5.5 million young adults are still disconnected from opportunity in America.⁷ Year Up will not solve this problem alone, nor is it designed to do so. We hope the success of Year Up's students will provide critical learnings to the private, public, and nonprofit sectors for the creation of a larger, sustainable pipeline of talent.

A Broader Recognition of Talent and its Sources

Sourcing talent exclusively from colleges and universities, especially when only 30% of Americans over 25 hold four-year degrees,⁸ is not a sustainable recruitment model for a rapidly shifting labor market. There is no question that there will always be a need for four-year and advanced degrees. It is equally true that companies overpay for middle skills positions, or miss qualified candidates internally when they automatically reject candidates without four-year degrees. Between the higher qualifications held by these candidates and the fierce competition to keep these roles filled, employers end up paying a "BA Premium" to keep talent within their companies or they create a self-inflicted skills gap.⁹ Companies need more candidates in the talent pipeline—and embracing a broader, more diverse perception of talent and where to source it is critical to building the larger pipeline.

When speaking with companies about their ideal candidates, often the first qualifications mentioned are not education level or even the technical skills needed for a position, but rather character traits such as "determination to overcome obstacles," "resilience," "great attitude," "good team player," "persistence," and "a hunger to learn." Employers hire for attitude and train for skills. A four-year degree can indicate determination, persistence, and a hunger for learning; however, many people with nontraditional resumes have inherently built these skills as a result of life circumstances. Recruiters should not look at this as a dichotomous "either/or" approach to hiring. Instead they should be seeking both university graduates *and* qualified candidates on alternative career paths.

Take for example Year Up alumna, Guneet Sandhu, who moved with her family to the United States when she was nineteen-years-old. Determined to finish her education, Sandhu was balancing college with two full-time jobs to support her family but ultimately dropped out when her sister enrolled in school. Worried she may not get the chance to graduate given her situation, when introduced to the Year Up program, she seized the opportunity and, after six months of training, earned an internship at Facebook, where she now works full-time as a Telecommunications Expense Management Analyst. In Sandhu's words:

⁷ Lewis and Burd-Sharps, "Zeroing in on Place and Race," 1.

⁸ "Quick Facts," U.S. Census Bureau, accessed December 9, 2015, <http://www.census.gov/quickfacts/table/EDU635214/00>.

⁹ Norris, "Stuck in the Middle," 1.

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[Year Up] taught me so many of the skills I use on a daily basis in my work: professionalism, communications, business skills—how to be comfortable and thrive in a demanding office environment,” Sandhu explains. “The staff at Year Up helped me understand myself and find my strengths and interests... My parents still cannot believe that I am working full time at Facebook. My sister tells me that I have grown in ways she could not imagine. And I feel like I have the confidence and skills to pursue any career I want.

We need to be employing and deploying as many talented, motivated people as we can into the workforce, which means seeking talent from nontraditional sources. Provided they have the opportunity to develop technical and soft skills, the grit and motivation earned through the life experiences of students like Sandhu make for ideal candidates in ever-changing, fast-paced industries and can provide companies with the qualities necessary for long-term talent retention.

The Multi-Sector Approach – A Model for Sustainability

Broadening our understanding of talent results in a larger pool of candidates for the recruitment pipeline, but sustaining that pipeline requires larger systems change. Key players from the nonprofit, private, education, and public sectors need to pool their range of expertise and resources to create a sustainable strategy for closing the Opportunity Divide nationwide.

Nonprofit

Year Up, and other nonprofits with similar mission alignment, can fuel multi-sector systems change by leveraging the communities they serve. Nonprofits are well poised to identify untapped talent from traditionally overlooked sources. They can elevate these skills—the grit and tenacity fostered through personal experience—so that they are properly valued by those who possess them. These skill sets provide under-resourced communities with a competitive edge in the marketplace. Nonprofits can supplement that edge by bridging the cultural gap between them and the corporate world, demystifying and decoding what it means to succeed in certain professional settings. Whether that be through training around accountability or guidance on the art of networking, nonprofits can foster the development of non-intuitive skills and help corporations see Opportunity Youth and other disconnected populations as a valuable recruitment source and the economic assets they are.

Corporate

Given what we hear from employers about their ideal job candidates, the private sector can support this process before applicants walk through the door by properly valuing the skills they say they need, even if they're difficult to measure. Current hiring practices don't adequately acknowledge or communicate the need for life skills such as determination and grit. By broadening their pool of talent sources, providing opportunities for that talent to enter and excel in the market, and communicating the need for these life skills, companies can attract a broader range of talent into the pipeline.

Furthermore, the private sector can accelerate the rate at which talent moves through the pipeline by playing a more direct role in training and education. To continue thriving, the corporate sector cannot remain a passive recipient of the education system. Given the rapid rate of change in technology, it's impossible for employers to predict what precise technical skills they will require in the long-term, let alone the near-term. For these positions, recruiters need to find someone with the right interests and skill

sets (like critical thinking, engagement, and the willingness to learn) and provide opportunities for those candidates to learn technical skills on the job. As we expand our understanding of where talent can be sourced, we also need to diversify our understanding of success and value a multiplicity of pathways to the professional world.

With a direct hand in curriculum development, the corporate sector can address its own hiring needs proactively. In 2014, Hasbro Inc. partnered with Year Up in Providence, Rhode Island to develop a Sales and Marketing curriculum dubbed the Hasbro Talent Training program. Hasbro would go on to hire 75% of their interns from the program's first graduating class, allowing the company an opportunity to educate new talent in company-specific skill sets at the speed of market demand.

In the same year, JPMorgan Chase, already an eight-year corporate partner, approached Year Up New York with a specific talent development need. With recently increased regulation in the financial industry, the bank sought a larger pipeline of talent that could add value to its control and compliance as well as operations efforts. They collaborated with Year Up to develop a Risk Management and Compliance program that would train students in data research, data analysis, and application of those skills to ensure controls and compliance with rules and regulations. The company contributed to the development of Year Up's anti-money laundering curriculum and analyzed the job track potential for program graduates, ultimately hiring 50% of the first cohort of graduating interns trained in the program. In 2015, this curriculum became available for students of Year Up Philadelphia as well with internship opportunities available with JPMorgan Chase in Newark, DE. To date, JPMorgan Chase has hired 75% of graduating interns across locations.

Education

This ability to rapidly respond to market demand is one of the private sector's greatest strengths in this new ecosystem of talent development, an ability best leveraged when other sectors respond with a similar degree of urgency. For the education sector especially, there is room for growth. In order to ensure students' skill sets are not obsolete upon graduation, education needs to adopt a more nimble responsiveness to the current needs of the job market.

One of the ways we are partnering with higher education to match the pace of corporate demand is through Year Up's Professional Training Core (PTC) model. Year Up's PTC sites leverage the colleges' learning facilities, instructors, and preexisting classes. The curriculum, created by the community colleges, tailored by Year Up, and designed in conjunction with its corporate partners, is implemented and delivered by the college faculty. In addition to increasing the education sector's role in closing the Opportunity Divide, this model allows for each of the players to capitalize on their strengths: colleges provide campus resources, curriculum, subject matter expertise, and institution; companies outline the market needs and invest in the talent as it moves through the pipeline; Year Up seeks out that talent in their communities and utilizes their corporate sector experience to guide the content in the training room. It is a microcosmic example of how a multisector approach can sustainably scale service over the long-term.

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Policymakers can support this systems change by investing public funding in high-impact programs that create more structured, accessible career pathways for people in underserved communities. Federal initiatives like TechHire, which funds entities moving diverse talent through the middle skills pipeline, provide financial incentives for all members of this multisector ecosystem to invest in larger systems change. Allocation of public funding toward demand-driven workforce training, especially that which demonstrates measurable, sustainable outcomes for disconnected communities, can ensure that Year Up and similar programs will scale their impact for meaningful, national change. Policy makers can best use their influence to invite mission-driven educators, employers, and nonprofit thought leaders to create a new ecosystem and allow those sectors to drive the conversation and engineer the execution.

Conclusion

Closing the skills gap, diversifying talent in the nation's workforce, and opening doors for talented Americans who lack access requires a collaborative effort and multipronged approach. It demands a change in perception, a change in hiring and education practices, and a change in the policies that affect corporate recruiting and underserved communities. When we stop talking about "disconnected populations" and instead talk about how to best equip untapped talent with the skills they need to succeed, we will more efficiently match proficient people with jobs, strengthen the communities from which that talent is produced, and bolster the nation's economy. Imagine a society that values supporting all of its communities in productive, meaningful, and sustainable ways and you will see a nation closing the Opportunity Divide.