

# YOUTH EMPLOYMENT MATTERS!

*Strengthening the Youth-To-Work  
Pipeline Through High-Quality Youth  
Employment Opportunities*

– Corporate Partner Brief

**WHY DOES  
YOUTH  
EMPLOYMENT  
MATTER?**



**Early work experiences influence young people's desire and ability to succeed.** Youth who work during high school are more motivated, perform better in school, make connections between school work and future success, and have greater capacity for time management.

**Early employment predicts future employment.** Having worked in a given year increases teens' chances of being employed the following year by as much as 86 percentage points, and older youth have almost a 100% chance of being employed if they worked more than 40 weeks the previous year. Youth who do not work while in high school and do not enroll in post-secondary schools often face lower employment and earnings later in life.

**The job skills gap affects certain populations disproportionately.**

Unemployment and underemployment rates are highest for young people who are African American (60%), Hispanic, (52%) or living in low-income households (20% employed). However research shows that recent employment (within the previous year) can mitigate the effects of family poverty, race, and lower education levels.

#### SOURCES:

Sum, A., Khatiwada, I., Trubskyy, M., and Ross, M. with McHugh, W., and Palma, S. (2014). "The Plummeting Labor Market Fortunes of Teens and Young Adults." Washington, DC: The Brookings Institution, [http://www.brookings.edu/~media/research/files/reports/2014/03/14%20youth%20workforce/youth\\_workforce\\_report\\_final.pdf](http://www.brookings.edu/~media/research/files/reports/2014/03/14%20youth%20workforce/youth_workforce_report_final.pdf); Mortimer, J.T. (2010). "The Benefits and Risks of Adolescent Employment." *Prev Res* 17(2): 8–11, <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC2936460/>; Ruhn, C. (1995). "The Extent and Consequences of High School Employment," *Journal of Labor Research* 16(3): 293-303.

# THE JOB SKILLS GAP AND ITS CONSEQUENCES

**A record number of young Americans are failing to connect with the workforce.** In 2013, the unemployment rate for youth aged 16-19 was just over 22%—higher than for any other age group and almost three times the national average.

**Many employers are reluctant to hire young people because they lack training, experience, and “soft skills,”** such as the ability to work in teams, communicate, think critically,<sup>1</sup> and dress and behave appropriately in a professional setting. Without skills, many young people are unable to build their qualifications and employment history, so they become discouraged and stop looking for work. **The skills gap is even worse for the estimated 6.7 million “disconnected youth” in America—young people aged 16-24 who are neither working nor in school.**

**Disconnected youth miss an important chance to start on the path to future academic and financial success.** Unemployment and academic under-achievement are associated with a higher incidence of poverty, dependence on public assistance, contact with the criminal justice system and/or imprisonment, health issues, divorce, single parenthood, and limited economic opportunity.<sup>2</sup>

**American businesses and society pay a price when young people’s opportunities are limited.** Each disconnected youth costs an estimated \$704,020 over his or her lifetime in lost earnings, lower economic growth, lower tax revenues, and higher government spending.<sup>3</sup> For all disconnected youth in this country, the aggregate taxpayer burden is \$1.56 trillion, and the social cost is \$4.75 trillion.<sup>4</sup> Meanwhile, private U.S. employers spend an estimated \$100 billion or more annually to provide on-the-job employee training.<sup>5</sup>

## URBAN ALLIANCE: HELPING DISADVANTAGED YOUTH SUCCEED

**The youth-to-work pipeline is broken, but it can be fixed—and business partnerships are key to the solution.** High-quality early workforce development programs that connect youth with job training, internships or apprenticeships, mentoring, job placement, and support services offer a cost-effective way to fix the problem now rather than paying for it later. These programs have dramatically improved young people’s academic, social, and financial outcomes while building a workforce that meets employers’ needs. Programs that provide real-world work experience have helped participants gain necessary soft skills,<sup>6</sup> graduate from high school, attain higher levels of education,<sup>7</sup> and increase their salaries by as much as 11% over as many as eight years after high school.<sup>8</sup>

**Urban Alliance’s High School Internship Program provides an effective model for early workforce development.** The program engages youth during their senior year of high school—the crucial juncture between adolescence and adulthood—and places them in internships in professional settings. Job sites range from small local businesses to large multi-national corporations in industries such as information technology, financial services, law, social services, and hospitality.

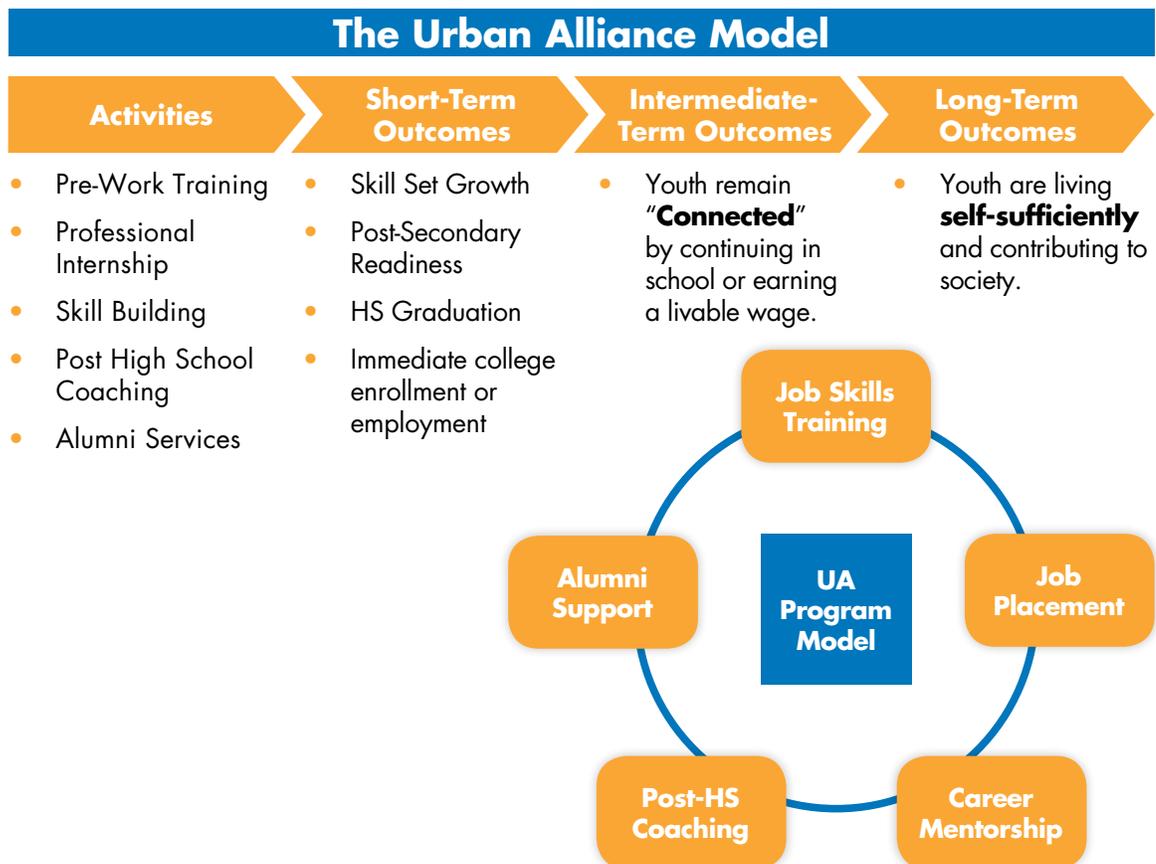
**Private and public-sector business partners are essential for high school interns to succeed and envision themselves as professionals.**

Corporate partners provide Urban Alliance a tax-deductible contribution of \$12,500 per intern, designate an employee to serve as the youth’s mentor, host the intern at their job site, and provide meaningful tasks and experiences for the intern. Through these contributions, job partners enable program participants to:

- Receive up to six weeks of pre-work training, ten months of on-the-job training, and weekly professional development workshops on topics such as financial literacy and college preparation
- Work at a professional job site Monday through Thursday from 2-5 pm during the school year and 9 am-5 pm during the summer;
- Earn up to \$10 per hour through merit-based pay increases;
- Complete up to 600 hours of on-the-job work experience and more than 90 hours of life-skills and job-readiness training; and
- Work with an on-site mentor to shape their professional growth.

**Urban Alliance’s program model provides the full spectrum of support needed to foster long-term success.**

Urban Alliance interviews, prepares, and places the interns; provides program coordination, training, and case management for the intern, job partners, and mentors; conducts weekly workshops and check-ins; and provides ongoing support to program alumni, including college and career planning assistance, placement in paid summer internships, networking opportunities, job searches, and help with financial aid and college applications and transfers.





“We do a lot of community service, but this is one of the best programs that we have. When you do [corporate social responsibility programs], you wonder all the time if you have any effect. With UA, you get real feedback in seeing professional, academic, and personal growth...The team and the corporation as a whole sees it.”

—Tony Rokita, Chicago Bulls

## URBAN ALLIANCE'S RESULTS

**Urban Alliance's results are impressive: 100% of interns graduate from high school on time, more than 75% enroll in college, and more than 80% of those who go to college re-enroll for a second year.** More than 90% of program alumni report that they now feel comfortable in a professional office environment. Anecdotal evidence indicates that interns also obtain financial security at a higher rate than their peers.

**But the numbers only tell part of the story.** The Urban Alliance internship is the first chance many young people have to picture themselves succeeding in a professional environment. The confidence, skills, and long-term vision they gain can last a lifetime.

**Businesses that sponsor interns see a valuable return on their investment.** Research on programs like Urban Alliance's shows that by working with interns, employees become more engaged, more productive, and gain managerial experience.<sup>9</sup> The public image of sponsoring businesses also improves.<sup>10</sup> Urban Alliance's corporate partners report that the high school internship program allows them to see internal results almost immediately.

“Having Urban Alliance interns on-site engendered more teamwork and buy-in. We had the philosophy that this is our project, and we are changing someone's life. That feeling spilled into other projects, and we felt like we had someone to cheer for,” explained Tony Rokita, Director of Community Relations and Player Programs for the Chicago Bulls, a job partner. “Don't underestimate the value you can gain from these interns,” adds Carrie Haas, Director of Corporate Human Resources for the Danaher Corporation.

**Providing more young people with employment opportunities helps build a workforce that is prepared to compete in today's economy.** A stronger workforce strengthens communities by making its members more productive and self-sufficient. At scale, programs like Urban Alliance can have immense long-term benefits to society, as more workers are able to enter the labor market with skills and experience, and more under-resourced youth can access higher education and employment.

## CORPORATE INVOLVEMENT

**By becoming a corporate partner, you can help Urban Alliance close the skills gap and strengthen the youth-to-work pipeline.** Since its inception, Urban Alliance has connected more than 1,500 young people with internships and reached an additional 15,000 students through job skills training workshops. Urban Alliance aims to build on that success by placing 15,000 young people in internships by 2018. Meeting that goal will require a substantial increase in partnerships with employers like you.

**Join Urban Alliance in helping young people realize their full potential.** To learn more about becoming a job partner, visit [http://www.theurbanalliance.org/get\\_involved/sponsor-an-intern](http://www.theurbanalliance.org/get_involved/sponsor-an-intern).



“There should be programs like [Urban Alliance] in every corner of this country. We have the resources. We’ve got the leadership. We have the know-how. We have the model. So, now we have to ramp it up.”

— **First Lady Michelle Obama participates in an Urban Alliance event at Columbia College in Chicago, Ill., July 18, 2013.**

(Official White House Photo by Lawrence Jackson)



### Urban Alliance

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## Endnotes

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