Optimizing Talent

The Promise and the Perils
of Adapting Sectoral Strategies for Young Workers
JobsFirstNYC is a nonprofit intermediary organization and a champion for the workforce needs of out-of-school, out-of-work young adults in New York City. Our mission is to improve the system to accelerate the connection of young adults with the economic life of New York City.

In 2006, the philanthropic community recognized that a structural approach was needed to address the needs of young people cast adrift in a rapidly changing economy. JobsFirstNYC was established to identify and create mechanisms to connect them to the labor market and to mobilize community, corporate, private, and public resources to support those mechanisms.

JobsFirstNYC pursues three broad strategies aimed at increasing the long-term employment opportunities of these young people: engaging employers in a structured, systemic way; advancing and building on best practices in the young adult workforce development field; and raising public consciousness about the out-of-school, out-of-work challenge. For more information, visit www.jobsfirstnyc.org.

The Economic Opportunities Program (EOP) is a policy program at the Aspen Institute. Its primary mission is to advance promising strategies and policies to help low- and moderate-income Americans thrive in today’s dynamic economy. Over its more than 20 years of work, EOP has focused on expanding individuals’ opportunities—to invest in their skills and capabilities, to build professional networks and connect to quality work, to start businesses, and to build assets and economic stability. The program’s Workforce Strategies Initiative (AspenWSI) has, for over a decade, led EOP’s work in identifying, evaluating, and promoting promising practices and strategies that help individuals build skills and connect to sustainable employment.
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Acknowledgments

JobsFirstNYC could have no better partner in our sector work than Sheila Maguire, who, beyond authoring this report, has been a central figure in the development of sectoral practices and strategies locally and nationally, and whose commitment to the Young Adult Sectoral Employment Project (YASEP) in New York City has been a fundamental factor in its early success. The Aspen Institute’s Workforce Strategies Initiative is also grateful for Sheila Maguire’s partnership over many years of work supporting sector strategies.

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Dear Colleagues,

Young people today face a tough job market. Many struggle to find work, and many others who do find jobs find only part-time, low-wage work. While all young adults are facing a tough economic environment, young adults from poor communities face particularly long odds of success. These individuals often attended schools that did not prepare them for college and lack the resources and social connections that might help them succeed in college if they were able to enroll. And while a college degree is not a guarantee of success in today’s job market, the prospects for those who lack a post-secondary education are grim. Consequently, young adults in these communities face the prospect of long-term unemployment or work in low-wage jobs with no benefits, high turnover, poor supervision, and part-time hours.

Efforts to help young people access and complete college are important. But many young people need other options to gain skills and connect to jobs that might lead to economic stability for themselves and their families. Sectoral strategies—which have gained traction in the workforce development field over the past two decades—may offer an important alternative for these young people.

*Optimizing Talent* explores the promise and perils of adapting sectoral strategies for young adults. It draws from both promising results from studies on the effectiveness of sectoral workforce development and the experience of a network of young adult and sectoral practitioners expressly convened to answer the question, how can we most effectively adapt sectoral strategies for young adults? Galvanized by the unemployment crisis facing young people, many private foundations and government agencies are crafting solutions. With sectoral strategies at the heart of the recently passed Workforce Innovation and Opportunity Act and featuring prominently in a range of federal, state, and local workforce efforts, we hope that this report will add to the emerging knowledge about employment strategies aimed at young people.

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Introduction

Nationwide, one in seven young adults is out of school and not working. While spells of unemployment are damaging to workers at any age, young adults take the hardest hit: their subsequent employability and earning power are reduced for decades, with much greater probability of joblessness and persistently lower wages. Young adults with lower educational attainment face the largest challenges in finding employment: the unemployment rate for out-of-school 16- to 24-year-olds with a high school diploma or less is 35.5 percent, more than five times that of young people in the same age group who hold a bachelor's degree or higher. The recent recession has exacerbated existing racial disparities in employment outcomes for young adults: 20 percent of Latinos between the ages of 18 and 24 are unemployed, while for blacks the rate is 30 percent—more than twice the rate among white young adults, which stands at 14 percent.

Even those who are able to find a job often struggle to achieve economic security. Young workers under 30 years old are disproportionately represented (more than double the rate of older workers) among the working poor, defined as full-time workers near or below the poverty line. The poverty rate for parents under age 30 is at an all-time high, a fact with ominous consequences for their children, who do worse in school and are more prone to chronic health problems than their more financially secure peers. Indeed, sectoral employment strategies are at the heart of the recently passed Workforce Innovation and Opportunity Act (WIOA) and feature prominently in a range of additional Obama administration proposals. The act’s mandate to focus on out-of-school young adults provides new opportunities to better serve this group of young people.

Optimism about sectoral employment strategies’ value for young adults comes in part from a random assignment study published in 2010: the Sectoral Employment Impact Study (SEIS). The SEIS analyzed three sectoral initiatives in which, collectively, 37 percent of participants were between the ages of 18 and 26: the Jewish Vocational Services in Boston (JVS-Boston), a long-established human services organization that provided a 22-week accounting and medical office training; Per Scholas, a social enterprise in the Bronx that offered a six-month information technology training program that prepared participants to take the A+ certification exam; and the Wisconsin Regional Training Partnership (WRTP), a Milwaukee-based membership organization of local employers and unions that offered short-term trainings of two to eight weeks for positions in manufacturing, construction, and healthcare. The study found that a wide range of disadvantaged jobseekers, including young people, increased their earnings as a result of sector-focused training programs.

Young workers under 30 years old are disproportionately represented (more than double the rate of older workers) among the working poor.

Strategies that help young adults graduate from high school and obtain two- and four-year college degrees are essential for increasing the numbers of young people from low-income communities who gain academic credentials. But more is needed to respond to the young adult unemployment crisis and its long-term effects. As policymakers, practitioners, and philanthropic institutions have focused on workforce development in recent years, sector-based employment strategies have yielded particularly promising results for low-income jobseekers and workers. Indeed, sectoral strategies are at the heart of the recently passed Workforce Innovation and Opportunity Act (WIOA) and feature prominently in a range of additional Obama administration proposals. The act’s mandate to focus on out-of-school young adults provides new opportunities to better serve this group of young people.
In response to the SEIS findings, JobsFirstNYC—a workforce intermediary in New York City focused on connecting out-of-school, out-of-work young adults to the labor market—created a pilot, the Young Adult Sectoral Employment Project (YASEP). YASEP is premised on the importance of investing at the organizational and programmatic levels, where services are actually delivered and where improvements in priorities, structures, and relationships are more likely to survive the turnover in municipal and state administrations.

During the spring and summer of 2013, JobsFirstNYC convened more than 50 practitioners, policymakers, and researchers from workforce development and youth advocacy and service organizations to generate ideas on how they might adapt sectoral approaches to workforce development for young adults. Participants explored a range of questions: What occupations should we target? How can we build supported career ladders? What certifications have real market value? How can employers and community-based organizations (CBOs) work together? How can we recruit and screen to best match young people to career opportunities? How will employers react to programs focused on young people? What are the unique needs of young adults, and how can they be met? Is young-adult-only programming needed? How do we serve those with fewer skills and lower education levels? How do we make sure young adults are not tracked into dead-end jobs? How can we work with employers beyond the hire?

As a result of these meetings, 15 multi-organization workforce partnerships identified potential projects and applied for startup grants. In September 2013, JobsFirstNYC awarded $50,000 planning grants to five of these partnerships, conducted site visits to each partnership, and inaugurated the YASEP Learning Community, which brought together teams from each partnership for five day-long sessions for shared learning and technical assistance. In 2014, three of the five partnerships launched young adult sectoral employment programs, and two additional partnerships joined the Learning Community (see appendix). Leaders from the participating organizations continue to meet regularly and are exploring how to work together on common issues. Now in its third year, the Learning Community is making progress as partnerships implement programs on the ground.

This report, which draws from the findings of the SEIS as well as the experience of YASEP, explores the potential to effectively serve young adults through sectoral initiatives. It examines the role of programs that work directly with young people around their employment, training, and educational needs. It is important to note, however, that many additional strategies are needed, including ones that target young people with low literacy and numeracy skills. This report explores how...

1) **Policymakers and funders can help young people find alternative pathways** to jobs, job stability, and job advancement by expanding and deepening access for young people to sectoral employment initiatives.

2) **Community-based and young-adult-serving organizations** can play a critical role in connecting young people to employment.

3) **Collaboration across organizations is essential**, and financial incentives to support partnerships must be built into future efforts.

4) **Sectoral strategies can yield even greater gains** when they go beyond strategies focused on job placement to partnering with employers to identify ways to improve workers’ conditions while also supporting business success.

This report also discusses challenges to growing and sustaining these efforts—including the need for public investments to serve the substantial number of young people for whom college is not the best first step.
The Dilemma

Some estimates suggest that as many as 40 percent of young people in low-performing school districts end their high school experience without realistic access to a career, technical education, or guidance about college or career options (see figure 1).¹⁰

![Figure 1: The Underserved Third](image_url)


Growing up in the country’s poorest communities, the great majority of these young people have a pressing need for employment. However, once they move beyond the reach of educational institutions, they have few pathways to gain additional skills and find employment. Even those with high school diplomas or equivalency credentials who enroll in community colleges often must take several semesters of remedial courses before being accepted into occupational training programs—spending precious time and financial aid in the process. Few ultimately qualify to train for the better-paying service or technical entry-level positions in sectors such as healthcare and information technology. Other young people turn to for-profit colleges for training and employment assistance, but too often emerge with sizable debts—a hindrance to additional financial aid—and without the skills or connections they need to land a good job.¹¹ Worsening their circumstances, many young people with an urgent need to work to support themselves—and, in many cases, their children or other family members—will forego further education and most likely face a lifetime of low-wage, sporadic employment.
The Sectoral Approach: Part of the Solution

WHAT ARE SECTORAL STRATEGIES?

A sectoral initiative “is not a prescribed set of practices; rather, it is a strategy, a set of functions, and a guiding vision to achieve defined results”¹² that “work toward economic development and economic inclusion at the same time.”¹³ Known by a variety of terms, such as industry or workforce partnerships, sectoral employment initiatives most often operate as partnerships involving some mix of employers, employer associations, CBOs, unions, and community colleges, and are often led by a workforce development organization.

These initiatives work with a clearly identified set of businesses, often small and medium sized, and set priorities and build programs based on a strong working knowledge of industry-specific hiring, training, and human resource needs.

These initiatives work with a clearly identified set of businesses, often small and medium sized, and set priorities and build programs based on a strong working knowledge of industry-specific hiring, training, and human resource needs. For example, two of the organizations featured in the SEIS, JVS-Boston and WRTP, gained industry insights from training not only new jobseekers but also employers’ current and incumbent workers. By training incumbent workers, these organizations developed a deep knowledge of the employers’ workforce needs and company cultures. Per Scholas gained knowledge of the information technology field through a strong and engaged employer network and by operating its own recycling center, to which employers donated end-of-life computers. In each case, information about the targeted industries was a significant asset and contributed to the organization’s success in providing relevant training and connecting participants to jobs. Many sectoral initiatives convene industry leadership with leaders of educational institutions and CBOs to align programs more effectively with labor market demand.

The Aspen Institute has played a key role in shaping efforts aimed at improving the prospects of low-income job seekers and workers. Drawing on extensive research on the work of practitioners in the field, the Aspen Institute defines a sectoral initiative as a “systems approach” to workforce development in that the goal is not only to train people to meet employers’ hiring needs but also to identify factors—such as employer practices, access to educational institutions, and regulatory issues—that might affect a low-income jobseeker’s prospects in the labor market (see Defining a Sector Strategy).¹⁴ Sectoral initiatives focus on helping disadvantaged people gain access to and advancement into higher paying jobs by building career ladders, often through occupationally focused training programs. They also seek to raise the floor for workers in low-wage occupations by improving both workers’ conditions and businesses’ human resource and talent development strategies.¹⁵

For example, the Bronx-based Paraprofessional Healthcare Institute (PHI), a pioneering sectoral initiative launched in 1991, seeks to improve the care offered at home and in residential settings by increasing the quality of jobs for home health aides, certified nurse aides, and personal care aides. Its employer partner, the worker cooperative Cooperative Home Care Associates, provides employer-based training for hundreds of women each year, offering its graduates higher wages, guaranteed full-time hours, benefits, and a mechanism through which workers can become owners. PHI has also translated its knowledge of industry practice into changes at the industry level. Each year, it helps more than 20 home care agencies and nursing homes, including some of...
DEFINING A SECTOR STRATEGY

Workforce programs are part of a larger set of actors that influence a region’s labor market, and the resulting workforce outcomes are greatly influenced by how these other actors operate. Thus, we define a “sector strategy” as a systems approach to workforce development—typically on behalf of low-income individuals—that

• targets a specific industry or cluster of occupations, developing a deep understanding of the interrelationships between business competitiveness and the workforce needs of the targeted industry;

• intervenes through a credible organization, or set of organizations, crafting workforce solutions tailored to that industry and its region;

• supports workers in improving their range of employment-related skills, improving their ability to compete for work opportunities of higher quality;

• meets the needs of employers, improving their ability to compete within the marketplace; and

• creates lasting change in the labor market system to the benefit of both workers and employers.


the nation’s largest and best known, adapt field-tested practices. PHI offers entry-level, in-service, and incumbent worker training curricula for direct-care staff and also works with federal agencies and stakeholders in ten states, promoting higher wages, increased access to health insurance, and better training and supervision for direct-care workers.

WHICH JOBSEEKERS AND WORKERS DO SECTORAL STRATEGIES SERVE?

A sectoral employment approach provides a framework for organizations to collaboratively develop and implement strategies that are rooted in a nuanced understanding of employers’ needs and perspectives, as well as workers’ conditions in the target sector. Flexibility is a key element: just as sectoral initiatives tailor their programs to specific local or regional employers and occupations within certain industries, they also do so for a variety of program participants, such as women, the formerly incarcerated, and incumbent workers. In fact, most initiatives are essentially required to do this by virtue of the resources that support their programs: public funds typically come with eligibility restrictions for those served, while private money typically reflects the interests and priorities of whoever writes the check. The ability of sectoral initiatives to align the interests of employers, current or potential workers, and public and private funders is an essential element of their success (see figure 2).

As is true for many sectoral initiatives, the three organizations studied within the SEIS focused on specific populations in light of the organizations’ funding sources and organizational missions. For JVS-Boston, which drew primarily on federal Temporary Assistance for Needy Families funds, 88 percent of its participants were women, just
under half of whom were between 18 and 26 years old. For its part, WRTP focused on helping Milwaukee residents gain access to quality—and in many cases union—jobs. Its member employers and unions provided funding for training once participants were on the job, but services for jobseekers (80 percent of whom were African American) were funded by the Workforce Investment Act. Per Scholas, funded by primarily private sources, helped people from low-income communities gain access to the information technology industry. Based in a low-income community in the Bronx with a large population of African Americans and Latinos, Per Scholas works with a high proportion of students of color (50 percent of its participants were African American and 41 percent were Latino) and connects them to technology jobs, occupations known to have an underrepresentation of African Americans and Latinos.

As is generally true of sectoral approaches, the three SEIS organizations did not implement the same program model. Each targeted a different employment sector or, in the case of WRTP, worked with employers in multiple sectors. Their training varied in length and offered a range of credentials, including program-generated and industry-recognized certifications. Entrance criteria for their participants differed according to the target occupations; and employer involvement, although integral to each organization, was structured in different ways. The diversity of the resulting programs suggests that sectoral employment approaches may be uniquely capable of addressing the needs of diverse groups of unemployed and economically disadvantaged young people—as well as the wide range of employers and industries that hire them.

**HOW DO SECTORAL PROGRAMS SUPPORT YOUTH DEVELOPMENT?**

Embedded in today’s most effective young adult programs and strategies is an understanding of youth development that includes close relationships with caring adults, high expectations, engaging learning activities, opportunities to make a difference to others, and support where the young people live, work, and study. Youth program interventions—often based on youth development—provide a progression of experiences that prepare young people to take on adult responsibilities, including employment. The SEIS identified common program elements shared by all three organizations that align with and can support these youth development approaches.

For example, sectoral employment initiatives often use group experiences to teach participants about teamwork and cooperation on the job. This cohort model has been found to be effective in other educational settings, such as community colleges. In cases where young people are in...
mixed-age cohorts, this may provide opportunities for developing meaningful relationships with a range of supportive adults that are key to young people’s success.

Further, sectoral training is often structured and delivered through the lens of its targeted occupation and industry, and it provides opportunities for hands-on and interactive instruction that might better fit the learning styles of young people who have not been successful in their prior school settings.

Sectoral initiatives also include strong connections to employers that offer access to job leads and interviews, work experience, and internships. This may be particularly important for disadvantaged young people, who typically lack the employment networks that their more advantaged peers have. Evaluations of young adult programs have cited the importance of work experience, particularly paid work experience, in keeping young people engaged in employment programs and helping them develop an understanding of the work environment—an important component of positive youth development. Sectoral initiatives can also guide young people toward short-term industry certifications valued by local employers and can support them in earning these certifications. This is particularly important in light of the fact that the market value of certificates varies greatly by industry and the local and regional context.

Sectoral training programs also build value with employers in the target industry by helping them “sort” the labor market—in other words, find candidates who are a good match for their hiring needs. To do this, the programs assess and screen applicants to ensure that participants are a good match for the targeted occupation and

**COMMON PROGRAM ELEMENTS**

- Strong organizational capacity—with the ability to adapt.
- A strong link to local employers that results in an understanding of the target occupation and connections to jobs.
- Job readiness, basic skills, and hands-on technical skills training offered through the lens of a specific occupation or sector.
- Recruitment, screening, and intake processes that result in a good match between the applicant, the program, and the target occupation.
- Individualized services to support training completion and success on the job.

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that they have the skills and supports needed to successfully complete training and transition to work in the sector. The careful screening of candidates characteristic of sector-based programs increases the chances that young people will experience success.
The Promise

EXPANDING ACCESS AND SUCCESS

Young adults are defined by public and private funding sources using different age ranges—16 to 21 or 18 to 24, for example—which means that many young people are generally eligible both for specific youth-oriented services and for publicly funded adult workforce programs. The organizations featured in the SEIS are not unusual in that a significant proportion of the people they serve are young adults. In fact, a recent study on sectoral initiatives that received federal funding for workforce services targeted at low-income populations reported that about one-third of participants were under 25. In some cities, programs supported by these funding streams are the largest providers of services to young adults.

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In adapting sectoral strategies for young adults, it is important to ensure that services are in place to increase their chances of success within current programs. While all three organizations examined in the SEIS incorporated each of the elements discussed above to some degree, they implemented them differently based on the target industry, jobseekers or workers, and the capacities of the lead organization and its partners. It may be the case that the choices made during program design allow organizations to serve some populations more effectively than others.

JVS-Boston and Per Scholas offered longer-duration training and achieved successful results with young adult program participants. For example, JVS-Boston offered intensive and personalized support, which was quite successful with young participants. WRTP, on the other hand, offered the shortest training and fewest work supports; not surprisingly, its young adult participants fared less well. Although WRTP was successful with many specific target populations (for example, formerly incarcerated WRTP participants earned over $8,000 more per year than formerly incarcerated individuals in a control group), the young adults served in the program generally did not keep those jobs long enough to make a difference in their overall earnings. Perhaps more support or additional training would have helped participants retain those jobs over time. Sectoral programs that already have strong participant supports may be particularly well positioned to effectively serve young adults.

FUSING EXPERTISE: COLLABORATION AMONG KEY PARTNERS

Few organizations start out with expertise in both an industry sector and in effective youth development practices. PHI and Per Scholas, both members of the YASEP Learning Community with deep sector knowledge, identified placement and retention as key areas in which young adults did not fare as well as their adult counterparts. Working with the Youth Development Institute, a technical assistance provider in New York City, these organizations were able to identify key programmatic adaptations that would improve outcomes for their young adult participants. Each organization hired an on-site young adult specialist to help trainees connect with supports, and PHI holds regular rap sessions to explore issues that participants are experiencing in training and on the job.

In addition to improving its internal capacity to work with young adult trainees, Per Scholas worked with young adult service providers to strengthen its pipeline of young applicants and bolster their prospects for success once on board. Initially working with a group of CBOs, Per Scholas modified its assessment approach and now refers young
candidates who do not meet tenth-grade reading and math levels (which are program requisites) to a five-week program that blends academic and technical instruction offered by its partner young adult provider, The Door. Candidates who are successful in increasing their grade level are guaranteed immediate admission to Per Scholas.

In other cases, organizations may have expertise in serving young adults but lack industry knowledge and relationships with other partners crucial for successfully executing a sectoral initiative. For example, Comprehensive Development, Inc. (CDI), a lead YASEP partner, provides academic, career readiness, and social supports to help disadvantaged students graduate from high school and succeed in college or in sustainable careers. CDI works in partnership with a traditional public high school and two transfer schools that are designed to re-engage students aged 15–21 who have dropped out of high school or fallen behind in credits. It serves 33 percent of all New York City transfer students who are 19 years or older; the majority of students qualify for free or reduced lunch (the standard measure of poverty in New York City schools) and have adult responsibilities—sole or joint support of a family, children, and full- or part-time work. Forty percent of CDI students do not enroll in college; of those who do, approximately half drop out within two years. CDI estimates that more than a thousand of its alumni under age 25 are neither working nor in school, not including those who are marginally employed in part-time or temporary work. CDI alumni remain connected to CDI through social media and strong organizational and personal relationships. CDI’s motivation for joining YASEP was to create an effective alumni re-engagement strategy that would help provide an answer to many CDI alumni who ask, “What’s next?”

As a member of the Learning Community, CDI shored up its understanding of healthcare by partnering with the New York Alliance for Careers in Healthcare (NYACH), a workforce partnership of employer associations within the healthcare sector, and the 1199/SEIU Training and Employment Fund, a labor-management partnership. NYACH helped CDI navigate the changes affecting frontline workers and choose relevant certifications in light of the industry reforms that are underway as a result of the federal Affordable Care Act and New York State’s Medicaid redesign. After receiving feedback from a NYACH-convened employer advisory group that included federally qualified health centers and hospital-based clinics, CDI focused on the Certified Medical Assistant (CMA) occupation, which is currently in demand and provides a first step in a career pathway. Building on CDI’s existing relationship with the Borough of Manhattan Community College (BMCC), NYACH suggested partnering with BMCC, which is one of the City University of New York schools that NYACH had previously worked with, to enhance the school’s CMA program based on industry and employer input. CDI, NYACH, and the Primary Care Development Corporation—a recognized expert in the field of healthcare training and instruction—partnered to develop an intensive seven-week bridge program that includes an introduction to healthcare and care coordination, as well as customer service and communication skills. NYACH then worked with New York City’s Workforce1 Healthcare Career Center, which is focused on healthcare employment, to ensure that CDI’s first YASEP cohort could apply for Individual Training Grants to cover tuition to BMCC’s CMA program. After students complete the bridge program, CDI provides support through CMA training, internships, and employment services.

CRITICAL COMMUNITY CONNECTIONS

Particularly for young people who have fewer skills and connections to the labor market, youth-serving organizations that are involved in school-based efforts or in alternative school settings bring a deep knowledge of young people’s needs. Young-adult-serving organizations such as CDI can play a critical role in connecting young people to employment and in supporting them once they are on the job.

Programs for young adults are also frequently housed in CBOs, which are focused on specific neighborhoods with high poverty rates and where young people who are neither working nor in school are concentrated. For example, 18 of New York City’s 55 neighborhoods are home to over half of all out-of-school and out-of-work young adults in the city. Meeting young people where they live, drawing them in, and keeping them engaged is critical to helping them gain the skills, education, and experiences that will enhance their chances of economic success.
For example, several partnerships in the YASEP Learning Community are led by CBOs that have extensive experience with and programming targeted toward local young people. Partners in the Queens Workforce Collaborative—Queens Community House, Jacob A. Riis Neighborhood Settlement, Sunnyside Community Services, and Ocean Bay Community Development Corporation—all have strong connections to young people in their neighborhoods due to the after-school college access programs and literacy instruction they offer. Phipps Neighborhoods partners with city agencies and private funders to provide resident support and family programs in the Bronx and Manhattan. These include child care; after-school programs; summer camp; literacy, ESL, and High School Equivalency instruction; college prep; and work readiness.

These organizations are also involved in other community-building, local housing, and economic development efforts, and may be uniquely positioned to work with employers in their neighborhood. For example, Phipps Neighborhoods is working with a key anchor institution in the Bronx, Montefiore Medical Center, to provide direct employment and certification programs in partnership with Hostos Community College. Similarly, Cypress Hills Local Development Corporation (CHLDC), also a YASEP Learning Community member, offers services to young people in East New York and focuses on transportation and logistics, a sector that has a strong and growing presence in its neighborhood. The Queens Workforce Collaborative is focused on building relationships with small neighborhood employers in the food industry across Queens, with the aim of connecting young jobseekers to employment and supporting them to stay on the job.

THE COST OF COLLABORATION

In recent decades, workforce development programs have operated largely within a performance-based system focused on immediate job placement. Constrained by short time frames and scant resources, organizations are expected to achieve large-scale results, while working toward performance milestones that reward a transactional focus on finding jobs for participants. Making matters worse, both workforce and youth development programs are funded by public and private agencies that impose different eligibility criteria and measure success in different ways. This has spawned two distinct fields of practice and few incentives to work together. In fact, organizations are encouraged to compete against one another for a continually dwindling pool of resources. This has created significant barriers to combining resources, leveraging organizational strengths and capacities, and working toward more sustainable and durable employment outcomes for the vulnerable young adults that both systems separately serve. In turn, this makes it difficult to target longer-range—and often more expensive—outcomes that are essential for young people’s success in the labor market. In this context, organizations’ capacity to develop a more strategic approach has been limited. Past initiatives such as Youth Opportunity Grants encouraged cross-stakeholder coordination, but stakeholders have found it difficult to sustain the systems and partnerships needed to deliver the education and training services young adults require and to connect them to work opportunities.20

The YASEP planning grants acknowledged these very real development costs involved in understanding a target sector and in developing and deepening relationships with partner agencies. Executive leadership and staff of YASEP partner organizations invested significant time—well beyond the value of the grant—in developing their strategy for adapting sectoral strategies for young adults, including attending day-long meetings as partnership teams. In fact, many partnerships used the grant to hire consultants to support strategy development.

Developing effective workforce approaches for young adults requires utilizing measures for success that go beyond short-term or even long-term job placement. Indeed, traditional measures
might be less important, at least initially, than less easily quantifiable outcomes, such as partnership development and practice changes among employers or partners. For example, at CDI’s three partner schools, career programming is increasingly being shaped by an understanding of employers’ needs through discussions at CDI board meetings (which school principals, although not members of the board, attend) and at school staff meetings (which CDI staff attend). In the winter of 2015, the board, the three public school principals, and CDI leadership set a long-term strategic goal to build programs and foster a school culture that develop core competencies identified by industry partners. Further, BMCC has worked closely with CDI staff to meet the needs of out-of-school young adults and to make adjustments that accommodate a cohort approach (in which students take classes together), which is an effective young adult support strategy.

Given the significant costs that sectoral training programs incur to recruit and screen candidates, partnering with young-adult-serving organizations could be cost-effective. Sectoral programs screen many candidates to find individuals whose interests and abilities represent a good match for the target occupation, who have sufficient English and math skills, and who have adequately stable living arrangements to successfully complete the program. Organizations that have long-standing relationships with young adults can play a critical role in recruiting and screening young people for sectoral programs, as well as in providing career exploration and preparing students for success in certification training. Likewise, CBOs that work in neighborhoods with high concentrations of out-of-school and out-of-work young people can meet young people where they live and more effectively draw them in. Such collaboration must go beyond a simple referral, which can often result in frustration if young people are not accepted into the sectoral program. It often requires a significant investment of time and relationship building to ensure that there is a solid understanding between young adults and sectoral organizations regarding the skills needed by young people to qualify for the program. Through such collaboration, efforts with a specific focus on young people can strengthen the larger workforce field rather than creating another set of siloed programs that will further fragment workforce and youth development efforts.

**A PATHWAY TO GREATER GAINS**

High unemployment rates among young people hide an even harsher reality: many of those who are working are disproportionately employed in low-wage jobs in the retail, wholesale, and hospitality industries. Positions such as sales assistants, cashiers, stockers, dishwashers, and wait staff tend to be characterized by part-time hours, temporary work arrangements, and a lower likelihood of receiving benefits. While some have argued that entry-level positions help young people get an initial foothold in the labor market and subsequently move up to better-paying jobs, research suggests that relatively few workers actually advance from low-wage work into higher-paying positions.²¹

**Beyond increasing access to skilled, higher-wage jobs, sectoral strategies have helped raise the floor in traditionally low-wage occupations, improving workers’ conditions in ways that can also support business success.**

Beyond increasing access to skilled, higher-wage jobs, sectoral strategies have helped raise the floor in traditionally low-wage occupations, improving workers’ conditions in ways that can also support business success. Changes that help reduce turnover and raise worker productivity—such as adjusted work schedules, training for supervisors, and business coalitions to address common problems and raise standards within
the industry—can result in benefits to employers. For example, four healthcare employers that implemented new talent management practices in a sectoral partnership in Pennsylvania saw significant increases in retention. And IKEA executives have recently seen declines in turnover as a result of increasing entry-level wages.

Investing in strategies to help employers in low-wage industries improve their talent pipelines and human resource practices—which, in turn, can benefit their business outcomes—can have a significant positive impact on the many young adults who work within those sectors. For example, PHI has leveraged its established network of home care agencies and nursing homes to disseminate good practices—such as promoting experienced home care workers to peer mentor positions to support new hires—to other providers in the industry. And through its existing strategy to support all home care workers, PHI can advocate for practices throughout the industry that support young adults. Similarly, young people who attend Per Scholas will benefit from its joint effort with business partner Doran Jones to create hundreds of technology jobs in the United States, specifically the South Bronx, through the creation of the Urban Development Center.

Founded and led by local community residents and merchants, YASEP Learning Community member CHLDC has provided employment services to young people and adults in its East New York neighborhood for 20 years. Through its work in the Learning Community, CHLDC has focused on the logistics and transportation sector, which has a considerable presence in Cypress Hills and is anticipated to continue growing. Entry-level jobs (such as messengers, dispatch clerks, and records center specialists) are accessible to people with basic skills at the fourth- and fifth-grade level, and do not require a High School Equivalency Diploma. These jobs can lead to a variety of higher-level positions with the opportunity for advancement—opportunities that increase if the jobseeker can move into driving positions and get a commercial driver’s license.

Working with business partners, CHLDC offers intensive hands-on human relations skills training, as well as an orientation to the transportation and logistics industry. Once participants find employment, they join CHLDC’s CHAMPION Network, a service for jobseekers across CHLDC’s employment programs, and can choose from a menu of training options, including driver’s education and commercial driver’s license training, provided on site at CHLDC with the participation of employer partners. CHLDC’s focus on this sector has already shown positive results: participants’ initial wages increased from $8.83 an hour before joining the sectoral initiative to $10.90 an hour after the program’s first year of implementation.

In exploring the transportation and logistics sector using data provided by the NYC Labor Market Information Service, CHLDC decided to focus on paratransit. CHLDC was also informed by its work with the largest paratransit provider in New York City and largest employer in its neighborhood. CHLDC saw that the demand for drivers was derived, at least in part, by high attrition during mandatory on-site training and within the first 90 days of employment; in addition, it learned that low retention rates were the norm across the paratransit industry in New York City. Seeing an opportunity over the long term to address these issues, CHLDC hired a specialist with 20 years’ experience in the paratransit industry who has built relationships with a broad range of paratransit companies. To meet these companies’ immediate needs, CHLDC recruits young people up to age 30 to undertake training and orientation; and after participants gain the needed additional license, they are referred directly to CHLDC’s business partners for jobs. One employer partner now refers all its young adult applicants to CHLDC for training prior to employment, and another has agreed to track CHLDC graduates’ employment retention against the companies’ overall retention rate. One paratransit employer has raised its wages to be more competitive. Meeting employers’ immediate needs for drivers is the first step in understanding what industry-wide changes could improve retention among the workforce, including young adults.
The Perils

NEGLECTING STRATEGIC FLEXIBILITY

Sectoral initiatives do not pitch the charity case, which may draw attention to the deficits of workers or the biases of employers. Rather, they build on the idea that human capital embodied in disadvantaged workers and jobseekers is a resource that can further unlock economic development. Over the past decade, organizations involved in sectoral efforts have worked diligently to gain credibility and standing within a targeted set of businesses in order to create opportunities for disadvantaged workers. They pitch the business case: this strategy and these potential workers will add bottom-line value.

To understand an industry and connect participants to key employers, organizational staff must be skilled and knowledgeable enough to provide support around talent management practices within the industry.

To understand an industry and connect participants to key employers, organizational staff must be skilled and knowledgeable enough to provide support around talent management practices within the industry. This does not mean that sectoral practitioners should not focus on specific populations; in fact, many work with employers to attract, for example, bilingual employees, while others focus on specific populations due to funding requirements. Nevertheless, specific populations should not be the starting point for communication with employers. It is important that efforts focused on young people do not inadvertently create the perception that services are designed to meet the needs of participants rather than employers’ needs for a qualified workforce. Participants in sectoral programs should not be seen as a lower-cost or less-qualified alternative to an employer’s traditional labor pool. It is also critical that efforts focused on young people do not miss larger strategic, industry-wide human resource issues that might affect all workers, including young adults.

Sectoral employment initiatives often require a degree of strategic flexibility on the part of funders and providers. Employers might not be interested in partnering in efforts targeted only toward young jobseekers and young incumbent workers both before and after the hire. In those cases, funders interested in supporting efforts to adapt sectoral strategies for young adults must decide whether strict adherence to guidelines on who receives support is worth foregoing an opportunity to invest in a potentially effective program. Organizations may need the flexibility to serve a range of jobseekers and workers or to partner with other organizations in order to meet the needs of local businesses and advance their standing within and knowledge of an industry.

Partnering with industries and employers that have naturally occurring young adult workforces is another strategy for adapting sectoral approaches for young adults. For example, retailers with a young customer base often hire people who reflect their clientele. The Wildlife Conservation Society (WCS), another YASEP lead partner, operates the Bronx Zoo and is the largest employer of young people in the Bronx. At the Bronx Zoo, WCS employs approximately 800 minimum-wage seasonal workers each year in retail, hospitality, and food services, of whom about 85 percent are young adults. Through the Learning Community, WCS explored with its CBO partners BronxWorks and FEGS how the partnership could increase the number of young adult Bronx residents who are hired at the zoo and increase the number who return to jobs the following season, which would help WCS save on seasonal recruitment and training costs. The plan proposes that WCS hire staff to work with the YASEP network to better prepare young people for success on the job, as well as improve its recruiting, hiring, and training processes and engage with other large institutional employers in the Bronx to assist young workers in finding opportunities during the off-season. While this project has taken several years to develop, WCS has the potential to offer lessons.
learned regarding the role that organizations and businesses that rely on a young adult workforce can play in serving out-of-school and out-of-work young people.

SCREENING IN OR SCREENING OUT?
A natural tension exists between young adult programs and sectoral employment strategies. Many organizations focused on serving young adults seek to screen candidates in: they conduct outreach to meet young people where they are, and they attempt to serve all who walk through their doors with the appropriate next-step intervention.

Sector-specific initiatives, on the other hand, sort the labor market for employers to find candidates whose skills, interests, and aptitudes give them a good chance of succeeding in the program and on the job.

As a first step for applicants, many sectoral training programs require the Test of Adult Basic Education (TABE), and only those applicants who meet the grade-level threshold advance to the next stage. Per Scholas and The Door work together in an intensive effort to bridge the gap for young people who almost qualify for Per Scholas. CDI, on the other hand, begins by assessing young people’s readiness to learn and their aptitude for the occupation, and assists them in managing family and personal challenges. It administers the TABE only just before participants enter the CMA training offered by BMCC. CDI staff have arranged conditional entry into BMCC’s CMA program and offer additional academic support to these participants as they work toward obtaining the certificate. This reflects an alternative approach to assessment that is rooted in CDI’s commitment to youth development.

TRACKING TOO SOON?
Many young people will not be a match for the industry targeted by the community-based or youth-serving organizations where they seek or are referred for services. Practitioners in the youth development field are concerned that young people will be tracked too early into sectors or occupational clusters that may not be the best match. A mechanism is needed to help guide young adults through career exploration and into appropriate programs that are matched to their interests and abilities, and help young people understand the transferability of skills between occupations and sectors. To bridge this gap, YASEP organizations have brought together recruitment and assessment staff to learn about one another’s programs in an effort to build a recruitment network through which young people can access a range of sectoral programs. While these initial steps, based on informal networking, are an important way forward, a more formalized approach that rewards organizations for making an additional effort to connect young people to sectoral initiatives is required to support the referral of young people across YASEP. Plans are in place to hire a full-time coordinator to work with the YASEP network around these issues. Further, WCS, while initially envisioning working with one or two neighborhood organizations, plans to work with organizations across YASEP.

TOO LITTLE, TOO LATE?
Some estimates suggest that public-sector investments in non-college-bound high school graduates and high school dropouts are minimal, representing just 10 percent of investments in those pursuing postsecondary education.23 Given that the former group is made up disproportionately of people of color, children of single parents, and people from poor households, this low level of investment perpetuates educational inequality present in K–12 and
post-secondary educational institutions. Strategies to help young people graduate from high school, improve career and technical education, and enroll and succeed in college are important—but for many young people who have grown up in the country’s poorest communities and attended low-performing schools, these efforts are too late.

While WIOA’s inclusion of sectoral strategies and focus on out-of-school young adults is encouraging, public-sector investments in training and employment services have significantly declined over the past 15 years, and few enable practitioners to deliver services at the level of intensity that research shows is needed for young adults to be successful.

Changes in Pell Grant eligibility recommended by workforce advocates, including the National Skills Coalition, which would allow for high-quality, short-term programs that can lead to industry-recognized credentials, is one step in supporting out-of-school and out-of-work young people. Currently, the neighborhood and community organizations that many young people rely on do not have access to Pell funding. Instead, the resources available to these organizations must be culled together from a range of government programs or are often part of discreet initiatives (like YASEP) that provide pilot funding only. This places the onus on organizational leadership to find ways to implement programs that provide the level of stability and investment that young people need. While developing pilots is a critical first step and working in collaboration across a range of government programs is essential, without funding mechanisms that envision an education and training effort—with public and employer investments—at the scale needed, it will be difficult to develop a field of practice, attract and retain professional talent, and develop the flexible labor-market responsive programs that are necessary for young people to connect to jobs and a stable economic future. Bringing this work to scale will require new funding investments that draw on a considerably greater share of both public- and private-sector resources to help young people—disproportionately those of color and from poor communities—gain skills and education, thus strengthening the future workforce.
Conclusion

Strategies that help young adults graduate from high school and obtain two- and four-year degrees are essential for increasing the numbers of young people from low-income communities who gain academic credentials. But more is needed to respond to the young adult unemployment crisis and its long-term effects. Indeed, many of those young adults most in need are not on a college track in the immediate future, and many have already earned a high school degree or equivalency. They require other pathways to careers and economic security.

The hard-won expertise developed among some sectoral initiatives about how to mediate the needs of workers and businesses can serve as a foundation for new efforts to build alternative strategies to support underserved young people. In adapting and enhancing sectoral employment initiatives aimed at young adults, there must be an intentional focus on working with employers—particularly employers in low-wage occupations—beyond the hire, since such jobs make up a significant proportion of the total workforce.

Sectoral initiatives aimed at serving young people will require investments to develop the capacity of organizations and their staff to play new roles, such as those developed among the YASEP partnerships described above. Early sectoral efforts were fueled by ideas generated from organizations working on the ground to define and share their work. Young people’s labor market prospects will be improved through creating new connections between young-adult-serving organizations and sectoral programs, working with employers to improve human resource development practices, and fostering collaboration across a wide range of programs.
Endnotes


4 Anthony P Carnevale, Andrew R. Hanson, and Artem Gulish, Failure to Launch: Structural Shift and the New Lost Generation (Washington, DC: Georgetown University, 2013).


8 Sheila Maguire, Joshua Freely, Carol Clymer, Maureen Conway, and Deena Schwartz, Tuning In to Local Labor Markets: Findings from the Sectoral Employment Impact Study (Philadelphia, PA: Public/Private Ventures, 2010).


13 Id., p. 6.


20 Annie E. Casey Foundation, Youth and Work: Restoring Teen and Young Adult Connection to Opportunity (Baltimore, MD: Annie E. Casey Foundation, 2012).


The Seven YASEP Partnerships

**COMPREHENSIVE DEVELOPMENT, INC. PARTNERSHIP**

Comprehensive Development, Inc. (CDI) and the New York Alliance for Careers in Healthcare, with partners Borough of Manhattan Community College, City University of New York, and Primary Care Development Corporation

**Description**

CDI is a nonprofit organization that provides academic, career readiness, and social services to New York City students and alumni of one traditional and two alternative public high schools, supporting them to successfully graduate. CDI and its partners launched Career Academy, a sectoral training approach designed to prepare recent alumni—through meaningful assessment, career exploration, and training—for work in healthcare with an opportunity to earn a Certified Medical Assistant credential that provides entrée onto a career path with the prospects of a living wage.

**CYPRESS HILLS LOCAL DEVELOPMENT CORPORATION PARTNERSHIP**

Cypress Hills Local Development Corporation (CHLDC), with partners CitiStorage LLC, Complete Management Solutions, St. Nicks Alliance, and Total Transportation Corp.

**Description**

CHLDC is a community-based multiservice organization in Cypress Hills, Brooklyn, working to build a strong, sustainable community. CHLDC, together with its employer partners, developed the CHAMPION Network, a sectoral-based employment program that develops career lattices across transportation, warehousing, and logistics industries—and offers on-site services for participating employers—which helps young people in Cypress Hills build careers in the sector.

**PARAPROFESSIONAL HEALTHCARE INSTITUTE PARTNERSHIP**

Paraprofessional Healthcare Institute (PHI), with partners Cooperative Home Care Associates, Neighborhood Trust Financial Partners, NYACH, and Youth Development Institute

**Description**

PHI is a Bronx-based nonprofit that has worked to improve the quality of home care jobs and home care services since 1991. Together with its partners, PHI seeks better ways to serve the increasing number of young people in search of training and employment in the home healthcare industry by adopting a case management system focused specifically on the needs of young adults, including customized peer support sessions and staff development training.

**PER SCHOLAS PARTNERSHIP**

Per Scholas, with partner The Door

**Description**

Per Scholas is an experienced workforce training provider that specializes in information technology (IT) sector training for low-income New Yorkers. In partnership with The Door’s Bronx Youth Center, Per Scholas piloted TechBridge, a collaborative bridge program that provides a more supported pathway to Per Scholas and the IT industry for out-of-school, out-of-work young adults who do not initially meet academic prerequisites for admission.

**PHIPPS NEIGHBORHOODS PARTNERSHIP**

Phipps Neighborhoods, with partners Hostos Community College and Montefiore Medical Center

**Description**

Phipps Neighborhoods—a multi-service nonprofit that provides educational, work-readiness, and community development programs in targeted communities of the Bronx and Manhattan—is working with a key anchor institution in the Bronx, Montefiore Medical Center, to provide direct employment and certification programs in partnership with Hostos Community College. Together, they launched Career Network: Healthcare, a career exploration and training program that helps young adults earn relevant credentials, gain work experience, and secure employment within the wide range of jobs in healthcare.

**QUEENS COMMUNITY HOUSE PARTNERSHIP**

Queens Community House, with partners Jacob A. Riis Neighborhood Settlement House, Sunnyside Community Services, and Ocean Bay Community Development Corporation

**Description**

These four Queens-based CBOs partnered together to form the Queens Connect Partnership to develop a program to meet the challenges faced by small neighborhood food industry employers with limited training budgets, scarce human resources capacity, or other infrastructural limitations. The program seeks to address the needs of business owners while simultaneously promoting a career-focused employment track for out-of-school, out-of-work young adults.

**WILDLIFE CONSERVATION SOCIETY PARTNERSHIP**

Wildlife Conservation Society (WCS), currently working with BronxWorks and now proposing to work with the entirety of YASEP

**Description**

WCS, an international nongovernmental organization and New York City cultural institution, as well as one of the largest employers of young people in the Bronx, aims to develop meaningful career options for its young seasonal workforce. WCS will partner with the entirety of YASEP’s growing network of partnerships as a strategy to address fulfillment efforts at WCS’s Coney Island Aquarium and Bronx Zoo facilities. As part of the Seasonal Transition Employment Partnership, WCS is committing to giving first consideration for training and employment opportunities to young people referred through the YASEP network.