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Training Youths in the Ways of the Workplace

By David Bornstein

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The most frustrating economic news of 2010 wasn't that the recession had worsened — it was that things had improved markedly for corporations, but not for the labor force. Even Alan Greenspan expressed concern that the U.S. is evincing “fundamentally two separate types of economy” — one in which big companies and high earners thrive, the other in which millions struggle to find jobs and make ends meet. One group that has been particularly hard hit by the recession is youth. Among workers aged 16 to 24, the unemployment rate is almost 20 percent. For young Latinos, it's over 24 percent, and for young African Americans, it's over 32 percent. Some 4.4 million youths are currently unemployed.

This is of serious concern to a country with a rapidly aging population. And while today's best jobs require post-secondary schooling, 30 percent of U.S. public school students fail to graduate from high school, and more than half of those who enroll in higher education fail to earn a degree or credential within eight years.

We all know the education system needs fixing; 1.3 million high school dropouts per year is untenable. But youth unemployment gets far less attention and policy makers have few new ideas to offer. In fact, government investments in workforce development for youth have declined precipitously — from about \$1.6 billion in 1994 to about \$900 million in 2010, even while gross domestic product doubled during that period (representing a real drop of 70 percent).

Why the cuts? Because for years there has been a lingering perception that workforce development programs don't work. That's why I'm focusing today on an organization called Year Up, which is demonstrating fresh promise in this area.

Year Up, a nonprofit, was founded by Gerald Chertavian, a social entrepreneur who started his career on Wall Street before building a technology firm that he and his partners sold for \$83 million. When he was a college freshman, Chertavian began volunteering as a mentor and Big Brother to low-income youths. He did this for decades. He was impressed by the ambition and talents of the young people he got to know. But he saw that they had little scope to “plug in” to the mainstream economy.

It wasn't just that some had attended poor schools or lacked college credentials; they lacked exposures to the “professional culture” — and this, as much as any skill gap, kept them marginalized.

Year Up assists disadvantaged, mostly minority youths, whose only academic requirement is a high school degree or equivalency degree. It offers a six-month training program followed by a six-month internship in a large corporation like State Street, Fidelity Investments, JP Morgan Chase, Partners Healthcare, or AOL. Since its founding in Boston in 2000 with a class of 22 students, Year Up has expanded to eight cities and served 4,000 young adults. About 70 percent of its students complete the program and the organization reports that, within four months, 84 percent of graduates are either enrolled full time in college or have secured a job. The average starting wage is \$15 per hour—roughly \$30,000 per year.

A recent random assignment study conducted by the Economic Mobility Corporation compared Year Up program participants with a control group of students who had applied to the program but couldn't enroll because of limited capacity. The researchers looked at students in the year following graduation — during the middle of the recession — and found that participants earned, on average, almost \$3,500, or 30 percent, more than the students outside the program. “These are the most exciting evaluation results we've seen in youth employment in 20 or 30 years — and the first to show a really substantial earnings gain,” said Mark Elliott, Mobility's president. Studies of other job training programs have shown modest gains if they show any gains at all.

What drove the earnings gains were the kinds of jobs that Year Up graduates were landing. About 40 percent of the participants in the study found positions working in information technology or investment operations with Year Up's 100-plus partner firms. A survey of Year Up students in Boston who graduated between 2002 and 2004 showed that, by 2009, average earnings had climbed to \$19.69 per hour, higher than the national median income. Many were hired by the companies where they did their internships. In one survey, 97 percent of Year Up's corporate partners said they planned to take on more interns in the future.

There are several things that Year Up does that distinguishes it from run-of-the-mill job training programs. It involves employers in the design of its programs to make sure its trainings are matched to market demand. It offers students extensive support from counselors and, where necessary, social workers. It forms partnerships with community colleges, which offer course credit for Year Up classes. And at a time when government policies favor short-term trainings, Year Up gives students a full year to make the transition to the professional world. It pays students about \$200 a week so they can afford to stick out the year (some still drop out for economic and other reasons). It helps participants find corporate mentors. And it charges employers serious money to receive interns: companies pay Year Up about \$875 per week or \$22,750 for a six month internship. This ensures that companies will insist on getting employees who can perform. The fees cover about half of Year Up's operating costs; the rest comes mainly from philanthropy.

But none of the above fully explains Year Up's success. The real difference is that Year Up takes great care to prepare its students to succeed in a professional culture. "We often talk about hard and soft skills," says Chertavian. "To me, it's actually hard and *harder* skills." The merely hard skills are things that many training programs cover — for IT, it might be using software applications or installing hardware. The harder skills are more nuanced. They involve questions like: Do you know how to communicate in a team? If you're running late, do you know to call ahead? If you don't have enough work, do you know to be proactive and ask for more? Do you know how to write a professional sounding e-mail?

Chertavian points out that the social signals new employees send can make all the difference. "It's how you make eye contact, it's how you dress, it's how you shake hands, it's how you make small talk at a Christmas Party," he says. "It's when we speak, are you nodding your head? Are you leaning in and asking questions? It's knowing how to introduce yourself. It's knowing what's appropriate for conversation. All of those things are learned. If you don't have that context, boy, it feels real foreign to go through the security gate at Fidelity and exist in that environment."

Every day in Year Up, students practice speaking before a group, working in teams, introducing themselves to strangers, soliciting feedback in a professional manner. They learn how to approach a potential mentor. They practice taking notes in meetings. They practice making water-cooler style chit chat. And they exchange lots of handshakes.

Year Up makes sure that students know exactly what they can expect by providing daily feedback in a caring

and respectful fashion. At the beginning of the program, students sign contracts which outline their responsibilities. They receive 200 points. Over the six-month training, points are gained for consistent performance and forfeited for things like coming in late, missing meetings or assignment deadlines, checking text messages in class, or failing to dress appropriately (business casual is the norm). "If a student gets to zero, he has fired himself from the program," says Chertavian.

They don't bend the rules, but they're willing to arrange a wide range of support — tutoring, advising, even wake up calls.

To get ahead, Year Up's students have to be more conscious about working within the professional culture than their more privileged Generation Y counterparts, who are more likely to be indulged by their bosses when they display a lack of professionalism — like walking through office halls listening to iPods or coming to meetings with midriffs exposed. Chertavian acknowledges that there is a double standard at play. "In a better world, all young employees would be judged equally," he says. But we don't live in that world. In the absence of shiny academic credentials and professional-class parents to ease their way, Year Up's students learn to make maximum use of their main competitive advantage: the way they present themselves.

This past November, Year Up formed a partnership with the Department of Agriculture to place interns with the federal government, which could open up a big new pipeline for jobs. Chertavian envisions a network of "professional training corps" offices housed on community college campuses — analogous to ROTC offices — that could reach out to far more students than the 2,500 annually that he anticipates Year Up serving within five years.

For the nation's two economies to re-unite, it will be necessary to build and strengthen the connective tissue. Clearly, this begins with our schools and our preschools. But we can also do far more to expand opportunities for those entering the work force today. And one key, as Year Up has shown, is to make it easier for top companies to recognize the talent that remains unseen, and largely untapped, in millions of our nation's youth.

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