

Sustainable Job Creation for America's Youth: Why It Should be Everyone's Concern

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An interview with Allen Grossman, a professor at the Harvard Business School who has also served as president and chief executive officer of Outward Bound USA.

With the United States' accelerating diverse population (it is expected that by 2060 nearly one in three residents will be Hispanic, up from approximately one in six currently), and an unemployment rate of 9.2% among Hispanics and 13.3% for African-Americans, the country needs to be exploring creative options that can build a strong and sustainable work force. To uncover potential ideas, the author interviewed Allen Grossman, a professor at the Harvard Business School who has also served as president and chief executive officer of Outward Bound USA.

Q. How is America's accelerating diversity among its youth intertwined with job creation?

A. As America's population continues to age, we need a

work force that can help pay for their care. Last December, the US Census Bureau stated that by 2060, one in five people in the United States will be 65 or older, versus one in seven today. In contrast, the share of the population that is considered working age (between 18 and 64) is expected to decline from today's 62.7% to 56.9% in 2060. With 2056 projected to be the first time that there will be more people 65 and over versus those under 18, everyone should be concerned about building sustainable job creation.

Given today's unemployment rate of 13.0% for Hispanic and 22.1% for African-American youth (18 to 29 years old)³, we need to craft solutions that can enable them to be not only economically self-sufficient but also to be valued contributors to the country's social services system.

Q. With the unemployment rate surpassing 50% among Spain's youth (April 2013), what options do we have that can actually build sustainable job creation and prevent a similar situation here in America?

A. With federal investments in youth employment programs decreasing from \$1.5 billion in 1984 to \$924 million in 2010, initiatives need to be able to demonstrate quantifiable value in order to compete for shrinking government as well as private funding. The few programs that have had a positive impact on young people's earnings had close ties to the employer community, made strong efforts to place people in jobs or in job shadowing

or work-based learning activities, and provided career-related guidance .

Q. What programs have been successful?

A. "Year Up" is a nonprofit which has successfully been delivering on its mission to close the Opportunity Divide by providing urban young adults with the skills, experience and support that will empower them to reach their potential through professional careers and higher education. For example, they have placed an astonishing 100% of qualified students into internships, and their graduates earn an average of \$15 per hour/\$30,000 per year, which is far better than some of the other options that are normally available to them.

Q. How does Year Up's program work?

A. During the first six months of the program, students develop technical and professional skills in the classroom. Subsequently during the following six months, students then apply those skills in an internship at one of Year Up's 250+ corporate and government partners. The benefits for their participants are not only college credits as well as compensation, but also mentoring via a powerful network of community-based partners. Finally, since its founding in 2000, Year Up has served over 6,000 young adults, with over 80% coming from Hispanic and African-American families.

Q. From your perspective, how has Year Up built a

sustainable operating model?

A. For PSIJ's readers who have attended Outward Bound, you can see how some of my past employer's values happen to be part of Year Up's DNA, which provide a platform for long-term viability.

Compassion:

— Year Up has been able to secure a broad array of national advisors including Kenneth Chenault, chairman and CEO of American Express; and Jeb Bush, former governor of Florida, to name a few, who have generously provided their guidance to the organization in the spirit of service to others. The ability to tap into advisors who have insights across for-profit and nonprofit entities enables Year Up to better comprehend the needs and desires of their existing and target partner organizations.

Excellence:

— The various stakeholders hold themselves accountable against tangible, daily operational excellence and balance this against their aspirations of building a "million person" model. Capturing value realization of the entity's daily efforts helps to build confidence from current as well as future stakeholders.

By marshalling the expertise of its staff, board members, advisors and the many other stakeholders who reside in the Year Up ecosystem, its leaders have provided pragmatic tools and experiences that participants have

been able to apply in a meaningful way. With a target million-person model as its goal, I believe Year Up has been a good catalyst to help drive the change needed to address America's employment for youth.

Michael Wong has over 20 years of sales, marketing, consulting, and international business experience with Fortune Most Admired companies including IBM, Apple, AstraMerck, AstraZeneca, and Merck. As an adjunct professor at Saint Joseph's University, his insights have been shared in publications including the MIT Sloan Management Review, Pharmaceutical Representative and the Philadelphia Social Innovations Journal. Mr. Wong received his MBA from the Harvard Business School and undergraduate degree from Boston College. Finally, he serves on the Harvard Business School Healthcare Alumni Association's Board of Directors. He can be reached at mwong@mba1990.hbs.edu.

Resources

1. NY Times: http://www.nytimes.com/2012/12/13/us/us-will-have-no-ethnic-majority-census-finds.html?_r=0
2. CNS News: <http://cnsnews.com/news/article/black-latino-unemployment-falls-thousands-minorities-leave-labor-force>
3. Generation Opportunity: <http://generationopportunity.org/press/millennial-jobs-report-youth-unemployment-reaches-13-1->

[percent-as-u-s-economy-shrinks/#ixzz2SZVhKyhJ](#)

4. Cave et al. 1993; Kemple

2004: http://www.yearup.org/pdf/emc_study.pdf