

The Youth Employment Challenge

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As a series of demographic and economic shifts intensely converge, creating what ManpowerGroup identified the "Human Age," a range of population groups are being alienated from work opportunities in the global economy. Young workers are most affected and have been labeled a lost generation of workers.

Scholars say that young people who have difficulty integrating into the world of work suffer lifelong psychological scarring that diminishes their resiliency and ability to thrive in a dynamic and demanding workplace.

A 2007 study by the Prince's Trust (the U.K. charity organization) called *The Cost of Exclusion* cites evidence of long-term impact of youth unemployment: Every 3 months of unemployment at age 22 is associated with an additional 1.3 months of unemployment between age 28 and 33. Persons who experience 26 months of unemployment before age 22 typically earn \$1,400–\$1,650 less than their peers at age 26, and \$1,050–\$1,150 less at age 30. A similar study recently cited in *The Economist* suggested that men who experience a year of unemployment before age 23 will earn 23 percent less than their peers 10 years later, and 16 percent less 20 years later.

Extended unemployment also contributes to poverty and its lifestyle deficits—cognitive, health, nutrition and psychological issues. Chronic unemployment relates to criminal behavior.

Moreover, underemployed youth is a fiscal challenge. The Prince's Trust 2010 update to *The Cost of Exclusion* estimates that youth unemployment costs the U.K. economy more than \$247 million per week in benefits payments and lost productivity, not including the costs of youth-associated crime—another \$37 million per week. The study calculates that the lifetime cost of educational underachievement for today's 17–24 year olds will be \$35 billion.

Today's economics demand urgent solutions to boost job creation and to improve young people's access to those jobs. ManpowerGroup offers a framework and rationale for business investment and action to help create innovative, effective, and sustainable solutions for employing more young workers. Below, ManpowerGroup identifies specific actions, informed by our own 64 years of experience in the World of Work, that employers can take now.

Investments to Improve Information Resources for Youth

Many young people stumble in their initial career steps due to poor information about the world of work, leading to poor choices about education and careers. High quality career guidance helps youth make better-informed decisions about their future, related to selecting academic/vocational programs, completing high school, and education and work.

However, most career guidance programs suffer from poor funding, under-qualified

instructors, and lack of access to timely and relevant labor market information. Guidance needs to begin earlier, in the lower-secondary level (ages 13–15). Employers can partner with schools to improve the quality and delivery of career services for young people as they are making important decisions about their future.

Participate in Career Guidance Programs for Youth Still in School

One of the simplest and most direct things that employers can do is partner with schools and vocational institutions to increase young people's exposure to the World of Work. They can volunteer as classroom visitors and deliver courses such as those developed by Junior Achievement (www.ja.org). They can provide speakers and participants for related activities such as career days and job shadowing. For many youth, business leaders can serve as role models and as an inspiration to set more ambitious goals for themselves.

Without waiting for the implementation of more ambitious curricula reform agendas, employers can use their influence to encourage schools to adopt courses that help young people navigate the job-search process and build key employability skills relevant to the workplace. They can advise on the importance of these programs in contributing to the success of entry-level workers, consult on the selection of off-the-shelf curricula, and assist in designing new curriculum content.

Support Information Projects That Provide Career and Labor Market Information for Young Job Seekers

Internet, mobile devices, and social networking technology provides young people with more transparent access to labor market information while also maximizing the recruitment reach of employers. Employers have an opportunity to reach beyond the job-board model while still working proactively with emerging job information services and platforms popular with youth, such as mobile phones/texting and smartphone-based applications, in order to connect with young people more efficiently. Employers can also cooperate with special programs and initiatives that are designed to give youth a deeper understanding of overall career trends and opportunities.

Promote a More Positive Image for Vocational Education

Young people, especially those disenchanted with an academic education and in danger of dropping out of school, need to understand the high demand that exists, and the competitive salaries available, for skilled and well-prepared vocational and technical personnel. Young people can be inspired by a vision of vocational career paths that include entrepreneurship and small business formation based on technical and trades expertise, as well as the possibilities for academic re-entry in technical, engineering, and other Science, Technology, Engineering and Math (STEM) programs at a later career stage.

There are very large differences between countries in the percentage of secondary students who are on a vocational track. In Australia and Germany, vocational students make up the majority of secondary students; not coincidentally, these countries have extensive curriculum offerings well aligned with the needs of the business community, and are very successful in moving young people from school to work. By encouraging more students to enter vocational education in countries where it is not a widespread choice, employers can

expand career opportunities for a more diverse range of young people, help address their own skills shortages, and stimulate greater attention and improvement to the vocational education system.

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