



# **The Early Impact of COVID-19 on Young Adult Workforce Development: Insights from the Field**

A JobsFirstNYC Working Paper

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## About JobsFirstNYC

JobsFirstNYC creates and advances solutions that break down barriers and transform the systems supporting young adults and their communities in the pursuit of economic opportunities. Our innovative approach to developing new partnership models has helped shape public policy, private philanthropic investments, and the best practices of employers, colleges, service providers, high schools, and others. Over the last 14 years, JobsFirstNYC has worked with more than 150 organizations in communities across New York City to build innovative solutions that connect young adults to economic opportunities.

## About this Working Paper

This working paper is a rapid-response effort to hear from our network of partnerships, capture their voices, and share initial recommendations on how to ensure young adults and their communities are not left out of immediate and long-term investments and reforms needed as a result of the fallout brought on by COVID-19.

# Executive Summary

The COVID-19 pandemic threatens the health and economic well-being of New Yorkers. It exacerbates preexisting inequities that young adults and their communities have long faced, leaving many with few opportunities to protect their health and continue earning a paycheck to support their families.

Prior to COVID-19, while the economy was seemingly strong, the statewide young adult unemployment rate was high. Since the statewide PAUSE order on March 22, 2020, young adults have experienced a disproportionate share of job loss and are likely to remain unemployed even after the shutdown ends. Young adults fared poorly during and after the 2008 recession, never truly recovering from the economic damage. As New York faces a multibillion dollar budget shortfall and has already made substantial cuts to young adult summer employment and programming, young adults and their communities are already being set up for a difficult recovery.

To complicate matters, many of the institutions that support out-of-school, out-of-work young adults have suffered devastating impacts already as a result of the pandemic, with reductions in funding and personnel, and more funding cuts expected down the line, all while rapidly changing their service delivery approach.

To understand the breadth of the pandemic's economic impact on young adults, their communities, and the organizations that support them, JobsFirstNYC shared a survey and conducted interviews with leaders from 68 of our partner institutions. This brief shares the insights we collected, articulates emerging questions that the young adult workforce development field is now grappling with, and offers recommendations to ensure that young adults and their communities are not left behind.

## Seven Insights from the field:



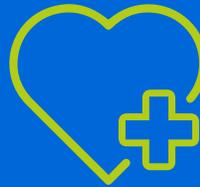
Household finances are declining rapidly as COVID-19 exacerbates preexisting inequalities in the areas of food, housing, health, and financial insecurity.



Having a job has become a matter of life and death, not just employment.



The pandemic is causing young adults to face greater competition for jobs, internships, and work-based learning experiences.



Young adults and nonprofit staff are facing rising mental and physical health needs.



The transition to remote teaching and learning is not meeting all of the needs of young adults and will negatively affect their skills training and educational progress.



Funding is flexible right now, but nonprofits are bracing for drastic public funding cuts.



The future of the labor market is uncertain, leaving workforce providers and jobseekers without a roadmap.

## A few of the questions that emerged from the research warrant further attention and a concerted response from the field:



How can the workforce development field better prepare young adults for shifts in the labor market brought on by the global pandemic?



What innovations can curb the impact of reduced staffing, layoffs, and loss of talent on the nonprofit sector?



How does the workforce development field become more engaged in policy decisions on economic rebuilding at the city and state levels?

# Based on the seven insights and three emerging questions, JobsFirstNYC is proposing a set of immediate-and long-term recommendations.

## Immediate-term recommendations

- 1) Hold the line on cutting funding for critical programs and convert current funding to general operating support for at least the next year.
- 2) Create opportunities for the workforce development field to rightsize its organizations.
- 3) Invest in mental health counseling and support services.
- 4) Invest in institutional partnerships between the workforce and educational systems.
- 5) Map in-demand skills and partner with employers to develop new strategies to improve educational and training programs for young adults.
- 6) Develop a large scale advocacy campaign calling for significant investment in big ideas that emphasize low-income communities.



## Long-term recommendation

- 7) **Develop a clear approach to systems transformation that is designed to better prepare young adults for a post-COVID-19 economy.**

Despite the urgent need for immediate action to get through the COVID-19 storm, the workforce development community must also focus on developing a coherent long-term vision for preparing young adults to fully participate in the civic and economic life of the city. Young adults, the nonprofits that serve them, and the businesses that employ them are facing unprecedented challenges.

Through collaboration, joint advocacy, and continued investment in young adults and the communities in which they live, we can create a system that ensures that all young people have an opportunity to achieve the social and economic well-being that they deserve.

# Introduction



The COVID-19 pandemic threatens the health and economic well-being of New Yorkers. It exacerbates preexisting inequities that young adults and their communities have long faced, leaving many with few opportunities to protect their health and continue earning a paycheck to support their families. At the same time, COVID-19 is causing organizations in the workforce development field to face significant funding cuts, staff layoffs, and a sudden need to change their service delivery approach.

Young adults fared poorly during and after the 2008 recession, never truly recovering from the economic damage. At the recession's highest point, six million 18- to 24-year-old young adults nationwide were out of school and jobless.<sup>1</sup> The US Bureau of Labor Statistics reports that:

*For young adults, a recession can have much longer lasting consequences. For example, young adults have more difficulty than usual entering the workforce or maintaining a job held at the onset of a recession. Extended delay in employment can reduce asset accumulation over their lifetimes. And young adults today may be even harder hit than in previous generations, because they carry more student loan debt, on average, than previous generations of young adults.<sup>2</sup>*

The economic and human costs of young adult unemployment and underemployment are enormous: in addition to experiencing low earnings and an increased risk of joblessness, these individuals—and, in turn, their children—are more likely to suffer from poor health, to be imprisoned, and to rely on the social safety net.<sup>3</sup>

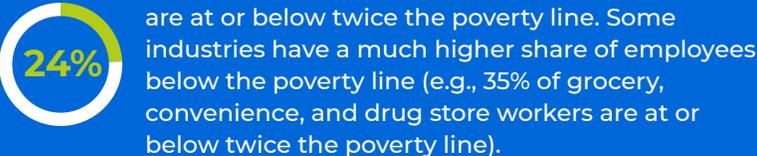
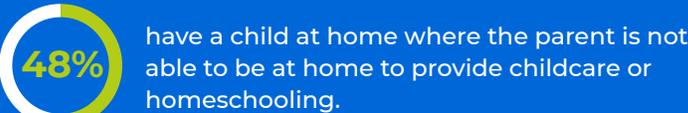
Recent data illustrate that the burdens of job loss resulting from the COVID-19 crisis are falling

disproportionately on young adults, as well as other marginalized populations. A new report published by the Center for New York City Affairs at The New School, *The New Strain of Inequality: The Economic Impact of COVID-19 in New York City*, notes that as of March 23, 2020, nearly two-thirds of jobs lost due to the pandemic were held by workers earning less than \$40,000 annually<sup>4</sup>—a significant proportion of whom are young adults. Indeed, a disproportionate share of young adults aged 18–24 are employed in low-wage industries such as retail, hospitality, and food service that have been gutted to slow the spread of COVID-19.<sup>5</sup> The pandemic has caused one-third of 18- to 24-year-olds to lose their jobs so far, which is higher than the city's overall job-loss rate of 26%.<sup>6</sup>

Prior to COVID-19, while the economy was seemingly strong, the statewide young adult unemployment rate—which measures those without a job but who are actively looking for work—was 20.7% for 16- to 19-year-olds and 11.6% for 20- to 24-year-olds.<sup>7</sup> This was a troubling trend, since we know that early work experience increases earning potential and better prepares young adults to enter an increasingly competitive labor market.<sup>8</sup> In New York City specifically, an analysis conducted for JobsFirstNYC by the Community Service Society of New York earlier this year found that 16% of both 18- to 24-year-olds and 25- to 30-year-olds were out of school and out of work, suggesting that youth were having difficulty staying connected to the economy even before the spike in unemployment brought on by the pandemic.<sup>9</sup>

To complicate matters, the very institutions that support out-of-school, out-of-work young adults have suffered devastating impacts as a result of the pandemic, with reductions in funding and personnel, and more funding cuts expected down the line. Many

**“Essential” jobs during the epidemic are largely staffed by people from low-income communities. According to the New York City Comptroller, the demographic makeup of frontline workers who are putting their health at risk to show up for work is as follows:**



of these organizations rely on funding from the state and New York City, and the fact that the New York City Comptroller projects a city tax revenue loss of \$4.8–\$6 billion,<sup>10</sup> while the New York State Comptroller estimates a \$7 billion reduction in state tax revenue, does not bode well for their financial future.<sup>11</sup> Most nonprofits do not have the cash on hand to survive the expected budget shortfall as a result of the COVID-19 crisis. According to a survey of 284 nonprofit leaders conducted by *Nonprofit Quarterly* on March 24, 2020:

*Fifty-two percent were “worried” or “very worried” about their near-term financial health (which, of course, directly impacts staffing decisions); 20 percent had already limited hours, furloughed, or laid off staff; and 24 percent had not yet limited hours, furloughed, or laid off staff, but thought it was likely.*<sup>12</sup>

To understand the economic impact of COVID-19 on young adults, their communities, and the organizations that support them, JobsFirstNYC surveyed and conducted interviews with leaders from 68 of our partner institutions and a series of community neighborhood meetings. These institutions include nonprofits, high schools, universities, research and policy institutions, employer intermediaries, funders, government agencies, employers, and more.

This brief shares the insights we collected, articulates emerging questions that the young adult workforce development field is now grappling with, and offers recommendations to ensure that young adults and their communities are not left behind.

## 7 Insights from the Field

### 1) Household finances are declining rapidly as COVID-19 exacerbates preexisting inequalities in the areas of food, housing, health, and financial insecurity.

 One lesson of the pandemic so far is that while the virus itself can infect anyone, those hit hardest by the worldwide crisis are those who were already hurting—those who were experiencing racism, housing instability, job insecurity, and other inequities that disproportionately affect marginalized communities around the country. A study by the Furman Center revealed that more than half of New York City households earning \$30,000 or less relied entirely on wage earners in the sectors most likely to shut down during the crisis.<sup>13</sup> Additionally, a study by the Pew Research Center revealed that 52% of low-income adults nationwide have reported income loss as a result of the pandemic.<sup>14</sup> The sudden loss of jobs, income, benefits, internships, and employment is affecting entire households, many without any savings to tide them over. New York City Mayor de Blasio estimates that two million New Yorkers will become food insecure as a result of the COVID-19 crisis, a need that community-based organizations are doing their best to meet.<sup>15</sup> At the same time, approximately 35% of city food pantries have closed as a result of COVID-19.<sup>16</sup>

Many young adults have been furloughed or laid off. Income expected from spring and summer internships and jobs is now lost or uncertain, especially due to this year’s cancellation of the Summer Youth Employment Program (SYEP), which supports 75,000 young adults annually, providing them with a paycheck between \$700 and \$2,250 during the summer months, depending on their age and number of hours worked. As Greg Rideout, Chief Program Officer at Commonpoint Queens explained to us:

*Not only are cuts to city contracts like Summer Youth Employment, Beacons, and COMPASS and [School’s Out New York City] programs harmful to the children and youth participants they serve, they are harmful to the individuals who work for these programs, most of whom are young people between 18 and 24 years of age. SYEP cuts led us to lay off 30 part-time staff instantly, most in this age group! Cuts to City-funded summer programs will eliminate more than 300 counselor positions, again largely for this age group, and social distancing will curtail enrollment for summer programs we do end up running, reducing the numbers of young people hired for these traditional seasonal positions.*

Meanwhile, the pandemic is forcing other young adults to leave school, college, or training in order to work more hours to support their families. “The families of some young adults are dependent on everyone bringing money into the household,” said Ionna Jimenez, Program Manager of Placemaking and Workforce Programs at the Brownsville Community Justice Center. Still others are taking on extra child and family care duties, including homeschooling younger siblings and children, as they continue to pursue their own education.

Complicating this panorama are the serious delays in registering for and receiving unemployment benefits, not to mention the bureaucratic hurdles posed for families who do not speak English or who lack internet access. Undocumented families face an even more uncertain path to receiving emergency cash assistance.

## 2) Having a job has become a matter of life and death, not just employment.

 Young adults are hungry for work, but most available jobs are temporary and may not be safe to employees who must commute via public transportation, interact with the public, and work without proper personal protective equipment. Taking an essential job may put a young worker at serious risk, particularly if that person has health vulnerabilities and lacks health insurance. As Diana Vignucci, Program Manager at Brooklyn Community Pride Center, said:

*Most likely, [young adults will] be putting themselves on the front lines, which means putting their health at risk. This is a multi-pronged issue of advocating for stronger worker protections across the board, advocating for free and accessible health care for all, and providing immediate relief to folks who find themselves in this kind of situation.*

Nonprofit staff, many young adults themselves, are also working on the front lines by serving clients and their communities. “My agency has at least 30 staff members with COVID-19; and thousands more continue to bravely come to work each day because our clients need them,” said Keith Little, president and CEO of SCO Family of Services, a nonprofit human services organization. The media has largely overlooked the essential work of human services nonprofits. Wayne Ho, president and CEO of the Chinese-American Planning Council, noted that “human services workers are also essential workers and we want everybody to include our community and workforce in these [stimulus] packages.”<sup>17</sup> There is an urgent need

to provide human services workers with resources and equipment—including hazard pay, child care, additional sick leave, and personal protective equipment—in order to keep them both safe and employed.

## 3) The pandemic is causing young adults to face greater competition for jobs, internships, and work-based learning experiences.

 Training, internships, and early work experiences have become limited due to hiring freezes, layoffs, and government pauses on workforce training program recruitment. Those jobseekers in need of job preparation, mentorship, and skills training already had limited access to many job opportunities, and they are now facing even fewer options because of COVID-19. Frederick Russo, Senior Corporate Account Developer from AHRC, an organization that works to train, place, and support people with disabilities, said, “Essential businesses aren’t hiring people who require a job coach because it adds to the number of people in a given space.”

A small number of internships have shifted to remote work, but many partners reported that their internship programs have been canceled or postponed. This temporary loss of work-based learning opportunities is compounded by the fact that without intensive in-person engagement and support, the rate of out-of-school and out-of-work young adults will likely rise. Participation, motivation, accountability, and self-discipline are serious challenges for young adults in any learning environment. “Consistency was the key to success for most of the out-of-school, out-of-work population we have been working with. Any gains that were made are now lost,” explained Brian Licata, Membership Retention Manager at the Staten Island Chamber of Commerce. He anticipates that the number of out-of-school and out-of-work young adults will increase dramatically because of business closures and labor market shifts.

After the current shutdown ends, the job market is expected to be extremely competitive, likely putting young adults at the back of the line. Many jobs may be automated or filled by older, more experienced workers who are unable to find employment elsewhere. Smaller businesses, especially those in the retail and culinary sectors, are likely to close, further reducing opportunities for first-time jobs for young adults. Randy Peers, president and CEO of the Brooklyn Chamber of Commerce, noted, “Small businesses employ large numbers of young workers [and] serve as the first entry point into the workforce, and their decline and closures

will negatively impact young adult employment.” Recent history supports this projection: in the five years following the Great Recession, the rate of out-of-school, out-of-work young adults remained high, at more than 20%.<sup>18</sup> For example, in 2010, the citywide out-of-school, out-of-work rate was still at 22%, while the rate in low-income communities was even higher, at 38% in Brownsville and 43% in Mott Haven/Hunts Point.<sup>19</sup>

There is an urgent need to position young adults for work in a COVID-19 economy and beyond, but there is little clarity on what the available jobs will be. Reuben Ogbonna, Executive Director of the Marcy Lab School, which creates alternative pathways into high-growth tech careers for young adults, said, “We must identify the sectors in New York City that will sustain through this downturn then identify the local employers in this sector and ensure that our partners can train enough young people to meet their needs.” Several workforce development programs are already coaching young adults on how to frame their virtual training as experience vital to remote work environments, while others are looking to expand their training in healthcare, technology, early childhood education, transportation, and logistics in anticipation of demand in those industries.

#### **4) Young adults and nonprofit staff are facing rising mental and physical health needs.**

 Young adults are experiencing high anxiety and stress as they face an uncertain future. This is exacerbated by the lack of services, programming, and supportive community they may be accustomed to. Many nonprofits are community hubs. Melissa Singer, Program Manager at the Staten Island Mental Health Division of the Richmond University Medical Center, noted that the young adults in her program rely heavily on in-person community support and that the biggest interruption has been in the social aspect of the division’s programming. Program staff are concerned about the loss of face-to-face interaction with participants and the effect that this will have on their social-emotional wellness.

Both young adults and the nonprofit staff who serve them have experienced loss due to COVID-19 and are grieving alone. They may be caring for sick family members while trying to stay well themselves. Young adults in challenging home situations are now dealing with the absence of schools and other programs that once provided them with a safe and supportive environment. For some young adults, the lack of adequate living space and ability to access a community outside the home has additional

negative impacts, particularly for those who are homeless or in foster care. Some programs report a rise in domestic and substance abuse.

For their part, many nonprofit staff are experiencing trauma, which they are trying to manage in isolation from co-workers, who may have been a support system in the past. Jerelyn Rodriguez, Co-Founder and CEO of the Knowledge House, urged the field to pay attention to the mental health of its employees, many of whom are young adults. She expressed that many of her young staff members have been struggling with the loss of a supportive workplace culture. These young counselors and case managers who are reaching out daily to community members in difficult situations may themselves be experiencing trauma that needs to be addressed.

#### **5) The transition to remote teaching and learning is not meeting all of the needs of young adults and will negatively affect their skills training and educational progress.**

 The COVID-19 pandemic is all but guaranteed to increase the already high numbers of young adults leaving school unprepared for careers and without a diploma or credential required to enter the labor market.<sup>20</sup> Several workforce development programs have adjusted to the new reality posed by the COVID-19 pandemic by transitioning to remote training, while others are refocusing on wellness assessments and connecting people to essential jobs and basic needs services. However, many programs are seeing their learners, trainees, and jobseekers battle against an exacerbated digital divide as a result of the pandemic due to their lack of access to computers and Wi-Fi, as well as the need to share devices or compete for technology resources in their households. Twenty-nine percent of New York City households lack broadband access, and certain communities consist of up to 50% of households without internet.<sup>21</sup> In response, some programs and communities have had to buy Wi-Fi services to provide greater internet access for residents.

Furthermore, many households are not conducive to online learning due to a lack of quiet space. As Roxanne Foster, assistant dean at Medgar Evers College, told us, “[Young adults] didn’t choose an online education.” They need time to adjust to and feel a sense of belonging in new learning platforms and environments.

This digital divide—now more than ever, in light of institutions’ growing reliance on remote teaching—threatens educational equity. Delayed education and skills training can set young adults behind on their path to diplomas and credentials, which can negatively affect their competitiveness in the workforce.

## 6) Funding is flexible right now, but nonprofits are bracing for drastic public funding cuts.



Some publicly funded contracts are flexible in this time of crisis, relieving pressure around reporting deadlines and targeted outcomes. For example, since organizations cannot conduct all of their programming virtually, they have been offered leeway by the New York City Department of Youth and Community Development to use the funds as needed, such as by providing needs-based payments to people who need groceries. Other partners reported that they were unsure about how long term such flexibility would be, which has resulted in uncertainty about how to continue providing their services and meeting their expected outcomes.

Philanthropy, meanwhile, has been responsive to and supportive of existing grantees, offering flexibility with regard to expected outcomes and allowing grantees greater discretion in how they use the funds. For example, Lowell Herschberger, Director of the Career and Education Program at Cypress Hills Local Development Corporation, noted that his nonprofit is utilizing this flexibility to “divert [resources] toward crisis response.” However, many organizations are concerned about how long this flexibility will last and what it might mean for future funding. Philanthropy has established several promising emergency funds for the COVID-19 crisis, but there is intense competition for these resources, as well as uncertainty about how long they will last. Some nonprofit leaders we interviewed are concerned that they have not heard back from new funders about pending proposals. Indeed, with their investment portfolios having been impacted by the crisis, some foundations are not considering any new grantees for their next funding cycles.

The partners we interviewed are also fearful about future cuts in city and state government funding. Anticipated revenue shortfalls will have a huge impact on government funding streams for workforce development, even as organizations will be forced to serve communities with even higher needs. Sara Chapman, Director of Education

and career services at Northern Manhattan Improvement Corporation, explained:

*We are concerned about the long-term impact on city and state budgets that may result in the cancellation of contracts at worst, or not expanding contracts that are usually expanded. We must advocate to city and state funders about the importance of keeping nonprofits whole.*

During the pandemic, existing government grant payments have been coming in slower than usual, perhaps due to cash-flow issues or offices going remote, which has many nonprofits on edge. Additionally, the sudden cancellation of government-funded summer programs (such as SYEP, which is a \$124 million investment) and after-school programs has meant that staff paid through these contracts have seen their hours reduced, have been laid off, or have shifted job roles to fill vacancies.

Miguel Sanchez and Philip Shearer, Co-Founders of MetaBronx, which places youth from low-income communities as paid interns at tech startups owned and operated by under-represented founders, said “Summer workforce development contracts with NYC were cancelled with no notice and no consultation, so we’re looking for alternative means of financial support for our organization. If we can’t find that financial support, we’ll be shutting down our organization in July. Alternatively, NYC could make an immediate commitment to running paid summer internships remotely, which would bring disadvantaged youth exactly the kind of digital media and technology skills required to work a high-paying job in the 21st century.

**Following the 2008 recession, giving as a proportion of income remained relatively static. Total giving reduced by 7% in 2008 and by 6.2% in 2009. The growth rate in charitable giving between 2009 and 2011 was the slowest of any two-year period since 1971 with only one exception, which was during the recession of 2001 in the wake of the 9/11 attack.<sup>23</sup>**

Nonprofits' individual fundraising efforts have also taken a large hit (for example, fundraising events such as galas are being canceled or postponed), which will have a significant impact on organizations' budgets. In fact, as reported by the National Philanthropic Trust, the largest source of charitable giving in the United States comes not from foundations but from individuals, who account for 68% of all such giving.<sup>22</sup> As a result of these postponements and cancellations entities that rely heavily on revenues from membership dues, tuition, or ticket sales (such as chambers of commerce, community colleges, and the Roundabout Theatre Company) are expected to experience huge losses.

## 7) The future of the labor market is uncertain, leaving workforce providers and jobseekers without a roadmap.



Employer intermediaries throughout the five boroughs of New York City have seen a lot of devastation in the business community because of the pandemic, and they expect many businesses to close.

***“Placing interns might be easier, since businesses won’t have money to pay staff, but any job placements beyond that are going to be really hard,” said Christina Tadros, Program Director from United Activities Unlimited.***

Many small and minority- or women-owned businesses cannot access federal programs because they lack the digital literacy, tools, relationship with banks, and detailed accounting practices to do so. Lisa Sorin, president of the Bronx Chamber of Commerce, said:

*We are disappointed that our local small and micro businesses have not had access to money. My request is to collectively gather data of how many businesses have applied and gotten approved so that we can make a data driven push for more resources. We are working across organizations to get financial support into the hands of those who need it. We need media campaigns to put information out to reach these businesses.*

While many small businesses will likely close, larger chains may have the resources to weather the storm. Chambers of commerce and nonprofit partners expressed that employers are also worried about talent development and losing furloughed workers, since recruitment, onboarding, and training is expensive.

**Liliana Polo-McKenna, CEO of Opportunities for a Better Tomorrow, offered words of encouragement: “When the future is ambiguous, it’s an opportunity to step in and design it.”**

Some partners were optimistic that the economy would remain unchanged, but the most severe predictions had many businesses permanently closing, particularly in the retail and culinary sectors, which would eliminate many of the jobs held by young adults. The cancellation of SYEP will also have a negative impact on local economies. Local small businesses will lose subsidized labor, and young adults will have less cash to spend in the community.

Some partners predicted that there will be an uptick in reliance on government-subsidized internships once the economy reopens, as cash-starved businesses look for ways to decrease operating expenses. However, they also expect that these internships will not convert to full-time hires. “Placing interns might be easier, since businesses won’t have money to pay staff, but any job placements beyond that are going to be really hard,” said Christina Tadros, Program Director from United Activities Unlimited.

An even greater concern is job quality. In the years leading up to the COVID-19 pandemic, workforce development programs such as Seedco had made huge strides with employers, ensuring that their support services were provided only to those businesses that offered consistent scheduling, professional development, and advancement opportunities. Now, with the explosion of unemployment, these programs are looking at potentially losing all of those gains. As Mara Cerezo, senior program officer at Green City Force, said, her organization’s emphasis has been to “ensure that talent from underserved communities can access quality jobs; this effort will be even more heightened coming out of the COVID-19 crisis.” Liliana Polo-McKenna, CEO of Opportunities for a Better Tomorrow, offered words of encouragement: “When the future is ambiguous, it’s an opportunity to step in and design it.”

# 3 Emerging Questions from the Field:

A few of the questions that emerged from our research warrant further attention and a concerted response from the field.

## How can the workforce development field better prepare young adults for shifts in the labor market brought on by the global pandemic?

In the decade leading up to the COVID-19 pandemic, most job growth for young people had been in part-time, low-wage work. Full-time jobs, even for young people not enrolled in school, decreased during the last economic recovery. Despite the increased demand for labor, wages for young people remained stagnant, notwithstanding the mandated increase in the minimum wage.<sup>24</sup> Simon Chiew, chief strategy officer at the Chinese American Planning Council, raised important questions during our interview: “What industries will have the biggest needs, and how can we plan to prepare community members for them? Will there need to be more investment in subsidized employment so young adults can develop more work experience and earn income?”

As the labor market contracts, young adults will need longer on-ramps to training and education programs, and organizations will need to collaborate to ensure inclusivity and accessibility. Frank Dody, Program Manager at the Bedford-Stuyvesant Restoration Corporation, pointed out that collaboration across nonprofits would strengthen the workforce development field’s ability to prepare young adults for careers; one example of such teamwork is **YES Bed-Stuy**, a JobsfirstNYC place-based collaborative designed to connect young adults to a variety of training, postsecondary, and social services in Bedford-Stuyvesant.

**YES Bed-Stuy:** This community-led, demand-driven workforce partnership offers a coordinated set of skills training, educational services, and wraparound support services that young adults need to secure jobs in growing areas of the economy. It also helps employers streamline their hiring processes and better connect jobseekers to career-ladder jobs.

## What innovations can curb the impact of reduced staffing, layoffs, and loss of talent on the nonprofit sector?

Government cuts to services delivered by nonprofits have already led to layoffs, furloughs, and salary reductions, including significant layoffs of young workers aged 18–24 working in after-school and summer employment programs. These staff cuts represent a field-wide loss of talent at a time when such talent is most needed, a potential lasting impact of “brain drain” in the nonprofit sector as a whole, and a reduction in organizations’ capacity to respond to the needs of their constituents. They also raise the larger question around some organizations’ sustainability in the long term. As Robert Cordero, Executive Director of Grand Street Settlement, wondered, perhaps now is “the time to consider mergers of programs or organizations.” Others noted that an overall consolidation of workforce development programming in the nonprofit sector might be the ideal way to ensure that the workforce development field continues to thrive, best serve the people who rely on it for services, meet the needs of employees, and curb the impact of funding cuts.

## How does the workforce development field become more engaged in policy decisions on economic rebuilding at the city and state level?

In the discussions with partners about any government-led efforts for post-COVID-19 rebuilding, there was general agreement that there should be an inclusive approach to finding large scale solutions in partnership with the field. Gregory J. Morris, President and Executive Director at Stanley Isaacs Neighborhood Center said, “This crisis has demonstrated what our essential workforce looks like, and those same essential workers will be left out of the City’s economic recovery unless city government, the private sector, philanthropy, and yes, the human services sector are working collaboratively to create an inclusive economy. I recommend that they consider (and initiate) bold and urgent actions to ensure access and equity in 2021 especially for historically marginalized and vulnerable workers.” Lisbeth Shepherd, Founder and Executive Director of Green City Force, echoed these sentiments: “We need a just transition and inclusive recovery, and nonprofits have the models and experience to inform policy ideas being discussed right now: massive jobs programs, reviving the Civilian Conservation Corps, expanding AmeriCorps and addressing climate in economic rebuilding.” National conversations have included for-profit companies, whose needs were well represented in stimulus bills, but nonprofits serving marginalized and vulnerable communities have not had an equal voice.



# Recommendations for Workforce Development Organizations and Funders

The workforce development field is struggling to keep up with the new reality brought on by the COVID-19 pandemic and to prepare for what is expected to be a very different, more competitive labor market. The pandemic has exacerbated preexisting inequalities that made it difficult for young adults to gain access to and move into good jobs. Below are a set of recommendations based on the findings from our research.

## Immediate-term recommendations:

### 1) Hold the line on cutting funding for critical programs and convert current funding to general operating support for at least the next year.

Nonprofits are using existing resources to provide emergency funds that they have not budgeted for, all the while facing reduced philanthropic funding and looming budget cuts. To maintain these emergency services alongside current programming efforts, funders must convert program-specific funding into general operating support. This will ensure that nonprofits not only survive this crisis but can nimbly respond to the emerging needs in communities that are unraveling in real time.

### 2) Create opportunities for the workforce development field to rightsize its organizations.

Resources are dwindling as the needs of organizations and the young adults they serve are increasing. Organizations have transitioned to remote programming and undergone major shifts in program design, structural operation, and the use of technology. It is critical that funders support these changes with increased funding, loosened accountability metrics, and flexible protocols that allow organizations to restructure service delivery in a way that is best suited for their communities in a post-COVID-19 landscape.

### 3) Invest in mental health counseling and support services.

Nonprofit staff and the communities they serve are experiencing trauma in response to the COVID-19 pandemic and will require mental health counseling and other social-emotional support in the near future. As Tatiana Arguello, Director of Workforce Development at United Activities Unlimited, noted, the workforce development field needs “advocacy for the programming we have, as this pandemic will have a serious financial stress and emotional impact on our young people.” Governor Cuomo recently announced that New York State will require direct insurers to waive cost-sharing, co-pays, and deductibles for essential workers seeking mental health services.<sup>25</sup> To complement this progress, funders should invest in mental health counseling to ensure that anyone experiencing trauma—including young adults, nonprofit staff, and community members—has access to free services.

### 4) Map in-demand skills and partner with employers to develop new strategies to improve educational and training programs for young adults.

Understanding the talent needs of industries will be key to redesigning and implementing effective skills training programs and related industry-specific credentials. This understanding comes from strong relationships with employers and from comprehensive knowledge of the skills needed in high-growth areas of the economy, as well as labor market data and trends. Workforce development organizations should design initiatives focused on sectoral employment (such as JobsFirstNYC’s **Young Adult Sectoral Employment Project**), and should embark on strategies that map and match skills across sectors to improve young adults’ employment opportunities.

**5) Invest in institutional partnerships between the workforce and educational systems.** In light of limited resources and growing needs in low-income communities, partnerships between educational institutions and workforce development providers create localized solutions that respond to the unique needs of young adults and the communities where they live. Funders should incentivize these institutional collaborations so that they are able to innovate in response to the current crisis and to lay the foundation for an equitable post-COVID-19 landscape. Neighborhoods with high numbers of out-of-school, out-of-work young adults can especially benefit from institutional partnerships. Place-based solutions, such as **Youth WINS**, a Staten Island-based JobsfirstNYC partnership initiative, are effective in building institutional capacity and producing better outcomes for their target constituents.

**Youth WINS:** Under the Youth WINS approach, participating community-based organizations partner with the College of Staten Island to offer educational bridges, customized training, and wraparound support services to out-of-school, out-of-work young adults on Staten Island. Following the provision of these services, the organizations and college then work with the Chamber of Commerce to help young adults secure jobs in high-demand industries and occupations.

**6) Develop a large scale advocacy campaign calling for significant investment in big ideas that emphasize low-income communities.** Given the approximately 30 million Americans who are out of work, and given our understanding of the length of time it takes to get out of a crisis like the last Great Recession, this pandemic presents a unique opportunity to design and implement a single-system strategy for young adults. This effort should focus on large-scale investments in service learning, the expansion of AmeriCorps, the launch of projects similar to the Civilian Conservation Corps (which put millions back to work after the Great Depression), and investment in neighborhood based programs like the Youth Opportunity programs from the Clinton administration. Similar to the American Recovery and Reinvestment Act during the Great Recession, there should be a focus on investing in subsidized employment and other wage-subsidy initiatives for young workers as a way to respond to employers' need for talent as they recover from the crisis. This will also help young workers gain experience and earn an income.

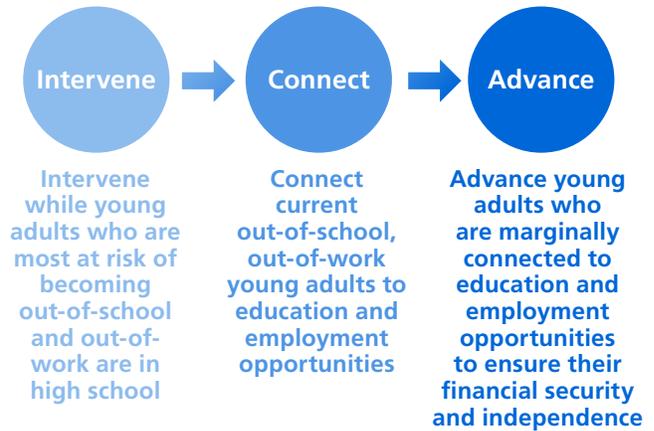
## Long-term recommendation:

**7) Develop a clear approach to systems transformation that is designed to better prepare young adults for a post-COVID-19 economy.** The systems change that was needed in the workforce development field before the COVID-19 crisis is now an absolute necessity. It requires a multi-stakeholder approach that organizes providers' collective change efforts toward a more aspirational future. Three ingredients are needed to achieve such a transformation: (1) a mapping of the workforce development system, its parts, and its stakeholders; (2) a clear articulation of the status quo that providers are trying to change; (3) a vision for what could be if the entire workforce development field worked together; and (4) a plan to hold us all accountable.

Rather than rebuilding a system that failed too many pre-COVID-19, this opportunity should be used to create a coherent, comprehensive, and collaborative workforce development system from the ground up and to advance solutions that break down barriers—solutions that equip young people to fully participate in the civic and economic life of society. Some inferences to guide this effort include the following:

- The economy and job market will not go back to the way they were pre-COVID-19. This presents an opportunity for positive change, as these forces were not working for everyone.
- As we have learned from past economic recessions, today's rising generation of young adults will experience even greater barriers to entering the labor market, resulting in lower employment rates and lower lifetime earnings.
- Recovery and rebuilding efforts in the past did not fully consider structural and long-standing barriers, putting the social-economic health and security of rising generations at risk and impeding their level of readiness to participate in a rapidly changing and increasingly skilled economy.

Immediate investments and long-term recovery efforts must include an approach that supports out-of-school, out-of-work young adults across an opportunity continuum that: (1) intervenes while young adults most at risk of becoming out of school and out of work are still attached to school; (2) connects young adults who are unattached to the economic life of New York City to postsecondary and employment opportunities; and (3) advances young adults who are marginally attached (i.e., who work in low-wage, part-time jobs) toward greater upskilling opportunities.



## Conclusion

Despite the urgent need for immediate action to get through the COVID-19 crisis, the workforce development community must also focus on developing a coherent long-term vision for preparing young adults to fully participate in the civic and economic life of society. New and more effective systems to connect young adults to economic opportunities were needed before COVID-19 and are needed now more than ever.

Young adults, the nonprofits that serve them, and the businesses that employ them are facing unprecedented challenges. The impact of the COVID-19 crisis has been enormous, exacerbating existing barriers to work and school and leading to funding cuts, layoffs, and vast uncertainty about the future. Through collaboration, joint advocacy, and continued investment in young adults and the communities in which they live, we can create a system that ensures that all young people have an opportunity to achieve the social and economic well-being that they deserve.

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Jerome Avenue Revitalization Collaborative

Lower East Side Employment Network

Transfer 2 Career Collaborative

YES Bed-Stuy

Young Adult Sectoral Employment Project

Youth WINS

## Endnotes

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# Appendix A

## Methodology

In March 2020, we embarked on a three-part participatory research methodology. First, we conducted 30-minute phone interviews with the leaders of 68 partner institutions in order to (1) learn about what young adults and community members are experiencing on the ground and how the workforce field is or is not meeting emergent needs; (2) understand immediate changes in the workforce field (e.g., shifting to a remote service and training environment); (3) identify how the field is thinking about future shifts in the labor market and how entities might be pivoting to address those changes; and (4) begin to lay the groundwork to inform a broader systems-change strategy to ensure that young adults and their communities are at the forefront of rebuilding the American economy.

### **Our interview questions included the following:**

- 1) What are you hearing from your different stakeholders (young adults, employers, private philanthropy, and government)? How has this affected your institution?
- 2) How do you think the labor market will change as a result of COVID-19? How will anticipated changes in the labor market affect your organization and its approach to workforce development for the long term?
- 3) How can we continue to advance the goals of our partnership in the short-term? How does COVID-19 influence our longer-term thinking about the focus of this partnership?

Second, we shared an eight-question qualitative survey with 150 partner institutions to assess the current and anticipated needs of community-based organizations, schools, and colleges as a result of this pandemic. Of these, 37 organizations submitted responses.

### **Our survey questions included the following:**

- 1) How has COVID-19 affected or threatened to affect the financial security of your organization? Please be specific (e.g., our gala was canceled, expected grants didn't come in).
- 2) What are the greatest needs your young adult clients are facing right now as a result of COVID-19 that need immediate prioritization (e.g., lack of income, off track)?
- 3) What resources are you still able to offer young adults (e.g., continuing paying internship stipends, online training)?
- 4) What changes have you made to your program offerings?
- 5) What do you think you will need to raise extra resources for, in the short term and in the long term? Please be as detailed and specific as possible, as this will help us articulate needs to the funder community.
- 6) What are you hearing from your employer partners? How has this affected your institution?
- 7) What can JobsFirstNYC do to help you during this challenging time?
- 8) What ideas do you have to continue to advance the partnership you're building with JobsFirstNYC as the need for collaboration will be even greater?

Third, we hosted learning communities, community group check-in calls, and executive director roundtables to learn more and follow up on preliminary findings from our interviews and surveys. We then performed a qualitative analysis of all information gathered and pulled out key findings. In this paper, we have elevated quotations and anecdotes that add color to these findings.

# Contributing Partner Institutions

AHRC NYC Staten Island  
Bedford-Stuyvesant Restoration  
Bronx Chamber of Commerce  
BronxChange  
Bronx Community Board 4  
Bronx Community Board 5  
Bronx Community College  
Bronx Cooperative Development Initiative  
Bronx Overall Economic Development Corporation  
Bronx Private Industry Council  
Brooklyn Community Board 16  
Brooklyn Community Pride Center  
Brooklyn Community Services  
Brownsville Community Culinary Center  
Brownsville Community Justice Center  
Center for Employment Opportunities  
Center for New York City Affairs  
Central Brooklyn Economic Development Corporation  
Chinese American Planning Council  
Commonpoint Queens  
Community Service Society of New York  
Comprehensive Youth Development  
Cypress Hills Local Development Corporation  
East Side House Settlement  
Empowerment Zone  
Good Shepherd Services  
Grand Street Settlement  
Green City Force  
Harlem Children's Zone  
Harlem Dowling West Side Center  
HERE-to-HERE  
The HOPE Program  
Kingsborough Community College  
The Knowledge House  
LaGuardia Community College  
Lutheran Social Services of New York  
Made in Brownsville  
Marcy Lab School  
Medgar Evers College  
MetaBronx  
New Settlement Apartments  
New Visions for Public Schools  
New York Center for Interpersonal Development  
New York City Housing Authority  
NMIC  
NPower  
Opportunities for a Better Tomorrow  
Per Scholas  
Phipps Neighborhoods  
Project Hospitality  
Queens Community House  
Richmond University Medical Center  
Roundabout Theatre Company  
SCO Family of Services  
Seedco  
South Bronx Job Corps  
South Bronx Overall Economic Development Corporation  
St. Nicks Alliance  
Stanley M. Isaacs Neighborhood Center  
Staten Island Chamber of Commerce  
Staten Island Partnership for Community Wellness  
United Activities Unlimited  
United Auto Merchants Association  
United Neighborhood Houses  
United Way of New York City  
The Urban Wild  
Women's Housing Economic Development Corporation  
Youth BUILD Staten Island



