



# Building An Inclusive Economy

The Bay Area Young Men of Color Employment Partnership

April 2019



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## About this Report

This report shares the learnings from the Bay Area Young Men of Color Employment Partnership (BAYEP) and provides recommendations for improving how the region's business and civic leaders can create an inclusive economy through offering better supports and opportunities for young men of color and others systematically disadvantaged by our economic system. Our findings are informed by a rich literature as well as companion analyses by PolicyLink, Urban Strategies Council and LeadersUp. Crucially, the voices of the young men themselves helped guide our conclusions as we incorporate the findings of surveys and focus groups conducted throughout this effort.

## Acknowledgments

This Inclusive Economy report was prepared by the Bay Area Council Economic Institute in partnership with LeadersUp. It is the product of extensive analysis by the Economic Institute, data collection by LeadersUp and interviews with regional employers. This report was authored by Micah Weinberg, Estevan Lopez and Rachele Trigueros.

## Report Sponsor

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## About the Institute

Since 1990, the Bay Area Council Economic Institute has been the leading think tank focused on the economic and policy issues facing the San Francisco/Silicon Valley Bay Area, one of the most dynamic regions in the United States and the world's leading center for technology and innovation. A valued forum for stakeholder engagement and a respected source of information and fact-based analysis, the Institute is a trusted partner and adviser to both business leaders and government officials. Through its economic and policy research and its many partnerships, the Institute addresses major factors impacting the competitiveness, economic development and quality of life of the region and the state, including infrastructure, globalization, science and technology, and health policy.

It is guided by a Board of Advisors drawn from influential leaders in the corporate, academic, non-profit, and government sectors. The Institute is housed at and supported by the Bay Area Council, a public policy organization that includes hundreds of the region's largest employers and is committed to keeping the Bay Area the world's most competitive economy and best place to live. The Institute also supports and manages the Bay Area Science and Innovation Consortium (BASIC), a partnership of Northern California's leading scientific research laboratories and thinkers.

## About LeadersUp

Established in 2013 by the Starbucks Corporation and launched by some of its largest U.S. suppliers, the mission of LeadersUp is to bridge the divide between the untapped potential of young people and the business challenge of finding and keeping the best talent. Their innovation is a supply-chain engagement model that leverages and works with companies within robust supply-chains across the United States to hire and retain Opportunity Youth as part of their workforce.

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# Executive Summary

**Through diversity and inclusion efforts, businesses can reap tremendous benefits by attracting top talent, driving performance and innovation, retaining employees and gaining a greater understanding of their customer base. Several companies in the Bay Area are on the forefront of diversity and inclusion (D&I) strategies and initiatives and are recognizing the benefits these strategies offer.**

The timing of D&I efforts could not be better, as it is essential that the private sector take a leading role in addressing structural discrimination and showing that economic growth can benefit all. Nationwide, young men of color (YMOC)<sup>1</sup> are more often born into poverty, are more likely to become high school dropouts, and experience disproportionate rates of incarceration.

In the Bay Area, men of color experience strikingly different economic outcomes than do their peers. In the San Francisco and San Jose metro areas, almost half of all Black and Hispanic residents do not earn enough to meet daily living expenses.<sup>2</sup> In Oakland, Latino men have the lowest per capita annual income at \$16,635, while Black men are only slightly higher at \$23,139.<sup>3</sup> Without action, YMOC will continue to be displaced from the region, eliminating a valuable resource for employers. With males of color representing 65% of the 18- to 29-year-old male population in the nine-county Bay Area according to PolicyLink research, a huge portion of the population is being left behind.

Though the statistics can be discouraging, this must be only the beginning rather than the end of the story. These young people are an essential asset to improving the Bay Area economy for everyone. Racial inequality does not just hurt select communities; it hurts the entire country. PolicyLink found that the U.S. economy would gain \$2.1 trillion in gross domestic product (GDP), a 14% increase every year, by closing its racial gaps in income.<sup>4</sup> Examining how inequality affects innovation, Stanford University researchers estimate the Bay Area would have nearly four times as many inventors if all people across race, gender, and socioeconomic status were given equal opportunity to succeed.<sup>5</sup> And in today's job market, businesses are hungry for this talent.

Nearly half of U.S. employers report difficulty filling jobs and believe their talent shortages have a high impact on their ability to meet consumers' needs and to stay competitive in a global marketplace.<sup>6</sup>

To address this economic and social imperative in the Bay Area, the Bay Area Council and many partners have engaged in an "Inclusive Economy" project for several years. A centerpiece of this project was the Bay Area Young Men of Color Employment Partnership (BAYEP). Over the course of three years, the Bay Area Council, LeadersUp, PolicyLink, and Urban Strategies Council partnered on this effort designed to economically empower young men of color in the nine-county San Francisco/Silicon Valley Bay region. Anchored by three major Career Summits led by LeadersUp—BAYEP's talent development intermediary—the partnership connected hundreds of young people to career opportunities with Bay Area employers and provided career readiness training to thousands more. BAYEP's broad goal was to serve a population that has been systematically excluded from the prosperity generated by the tremendous economic growth in the Bay Area over the past several decades.

This report shares the learnings from the BAYEP project and provides recommendations for how the region's business and civic leaders can create an inclusive economy by offering better supports and opportunities for young men of color and others disadvantaged by our economic system. The findings are informed by a rich literature as well as companion analyses by PolicyLink, Urban Strategies Council, and LeadersUp. Crucially, the voices of the young men themselves helped guide the conclusions, as we incorporate the findings of surveys and focus groups conducted throughout this effort.

## Key Findings

**1. Lack of affordable housing, transportation and childcare are the biggest barriers to economic empowerment of young men of color in the San Francisco Bay Area.** Increasing housing production and reducing transportation and childcare costs can eliminate employment barriers to the recruitment and retention for opportunity youth.

**2. Well intentioned employer hiring policies can unintentionally exclude qualified and motivated young men of color.** Reengineering policies to combat unconscious bias against YMOC and other underrepresented populations is essential for meeting growing talent needs while promoting economic inclusion.

**3. Taking a regional approach to workforce development would better reflect the interconnectedness of the San Francisco Bay Area and greater megaregion.** The hyper-localized and uncoordinated continuum of support our workforce development system offers does not match with the reality of the region, which shows the mobility of our residents across multiple jurisdictional boundaries

**4. Tracking the effectiveness of diversity and inclusion programs will help employers drive real change when it comes to hiring, retention, and advancement of young men of color and other underrepresented groups.** The proliferation of diversity and inclusion efforts among employers shows the desire to create inclusive workplaces, but without tracking program results in a consistent way, it's unclear which strategies actually work.

**5. Mapping out clear career pathways within companies to advance young people into middle-skill, family-sustaining-wage jobs is a critical piece in driving economic empowerment.** Due to a multitude of factors, including the nature of grant funding, most workforce programs focus on entry level job placement and these are an important first step. However, without clear career pathways and supports to get young people to at least middle-skill, middle-wage jobs, we will not be able to break the generational cycles of poverty we see too often in the Bay Area.

As an organization devoted to improving the Bay Area for all its residents, the end goal of the Bay Area Council's involvement in this effort is to create systems-level change in workforce development. As such, it is essential to document the learnings that have come out of this partnership so that we create change at scale for these communities and for the broader Bay Area economy that depends on their inclusion.



# 1

## The Business Case for Inclusion

There is a rich body of research illustrating “the business case” for increasing diversity in the workplace. For example, racial diversity within organizations is one of the main predictors for competitiveness within industries. Organizations who are in the top quartile of diversity metrics are 33% more likely to outperform their peers in terms of profitability.<sup>7</sup> Companies that reported higher racial diversity also reported 15 times higher revenue than less diverse companies.<sup>8</sup> Furthermore, research shows that individuals who are bilingual are more creative than their monolingual peers.<sup>9</sup> From a marketing lens, diverse employees better reflect the diversity of end-users and can help mitigate against blind spots that may cause company embarrassment and consumer backlash. Through the formation of diverse teams, organizations can utilize these different perspectives and lived experiences to evolve and strengthen business decisions.

If establishing a diverse workforce is the first step in promoting equitable growth, inclusion efforts must be pursued in tandem. Inclusion in the workplace is the complete participation and contributions of employees. Chief diversity and inclusion officers at the region’s top companies often ask the rhetorical question: “What is the point of having a seat at the table, if you are not heard at that table?” Taking that question further, Bay Area Council members have called for not just having diverse voices at the table but ensuring that a diverse group of people is involved in designing the table itself.

In inclusive workplace environments, employees are more likely to have better performance and will be less likely to leave the job—increasing retention rates

and thus reducing costs for employers.<sup>10</sup> According to the Work Institute’s 2017 Retention Report,<sup>11</sup> it costs employers 33% of a worker’s annual salary to hire a replacement when an employee leaves. In a survey conducted by Deloitte, 72% of employees would leave or consider leaving their job to relocate to an organization that is more inclusive.<sup>12</sup>

Inclusion is so important that many companies today have actually changed the title of their diversity departments to be refocused on inclusion and belonging. Employees who feel a sense of belonging to an organization are more engaged in their day-to-day activities, are highly likely to recommend their company, are motivated to put in discretionary effort, and express their intent to stay at the company.<sup>13</sup>

Given the data that continues to emerge showing the business benefits of creating diverse and inclusive workplaces—not to mention the social and equity benefits—many companies have made the shift from obligatory compliance to a proactive business strategy that promotes creating opportunities for all.

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**Companies that reported higher racial diversity also reported 15 times higher revenue than less diverse companies.**

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## The BAYEP Model



To connect diverse talent to Bay Area employers and help turn around inequitable statistics for young men of color in the region, the Bay Area Council joined other regional partners to form the Bay Area Young Men of Color Employment Partnership (BAYEP). BAYEP provided a regional strategy to engage businesses in hiring and retaining YMOC by addressing the barriers that YMOC face on their path to employment. BAYEP convened businesses, community-based organizations, on-the-ground training providers, researchers, and systems change advocates to create a broad continuum of support for both the individual and the engaged company. The Partnership's core includes Bay Area Council, LeadersUp, Urban Strategies Council, PolicyLink, and beginning in 2017, United Way of the Bay Area. BAYEP leveraged each organization's relationships with community leaders, elected officials, businesses, and community-based service providers. Over the past three years, BAYEP successfully served approximately 1,927 young people and connected almost 700 to employment.

Unlike other workforce development efforts, BAYEP moved the needle by putting current and future workforce needs front and center. The partnership worked directly with employers to identify, address, and bridge talent needs, backward-engineering training modules with the job in mind. BAYEP also focused on shifting business practices and perceptions around the hiring and retention of YMOC by helping to build middle-skill career pathways within companies to move YMOC from entry level jobs to family-sustaining-wage careers. BAYEP worked with 36 employers over the three-year period, including AT&T, BART, Comcast, Kaiser Permanente, Macy's, Pepsi, San Francisco Giants, Starbucks, San Francisco International Airport, and many others.

BAYEP is characterized by the unique value added by each partner organization contributes to the program. Being the voice of Bay Area business, the Bay Area Council brought employers to the table from its robust network of over 300 of the region's largest employers. On the talent development side, Urban Strategies Council coordinated the network of community-based organizations already working to serve young adults. LeadersUp, BAYEP's talent intermediary, connected both the supply and demand side, overlaying an additional LeadersUp training module based specifically on the open jobs identified by the employer partners. Lastly, because this program has always had a goal to inform larger policy and systems change, PolicyLink was charged with leading the public policy advocacy and research effort.

**Employers include:** AT&T, Auto Warehousing, Bloomingdale's, Blue Apron, Chipotle, Homebridge, Humphry Slocombe, Impact Hub, Levi's Stadium, Macy's, Marriott, Mr. Sparkle, New Seasons Market, Noah's Bagels, Oakland Athletics, Palecek, Piikup, Red Lobster, San Francisco Giants, San Francisco International Airport, Sprint, Sweetgreen, Target, United Airlines, Verizon and Whole Foods

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**SPOTLIGHT**

# Moving Young Men of Color into Employment, Careers, and Leadership – PolicyLink

As part of BAYEP’s effort to create policy and change focused on the economic inclusion of YMOC, PolicyLink conducted research and interviews with stakeholders in the workforce development system to:

- 1) Better understand how YMOC are currently being served, and
- 2) Identify ways to improve the workforce development system’s effectiveness in supporting YMOC to attain family-sustaining-wage careers.

PolicyLink’s report explored three broad recommendations to alleviate the multiple complex barriers to sustainable-wage employment for young men of color and improve workforce outcomes.

**1. Provide Comprehensive and Integrated Programs and Services for YMOC:** Including specialized programs for “off-track” YMOC, expansion of networking and mentoring services, expansion of Clean Slate efforts to reduce barriers for justice system-involved youth, and training for YMOC to recognize and act upon discriminatory employment practices.

**2. Improve Workforce System Attention to and Performance for YMOC:** Including expansion of internship and apprenticeship programs, establishment of standards for essential soft skills certification, requirement of workforce development boards to include a community youth representative, and employer input on training programs.

**3. Improving Funding through Increases, Flexibility, and Directing Resources to YMOC:** Including provision of adequate funding for barrier removal, investment in social enterprises and worker-owned cooperatives, and creation of stronger performance-based metrics for funding allocations.

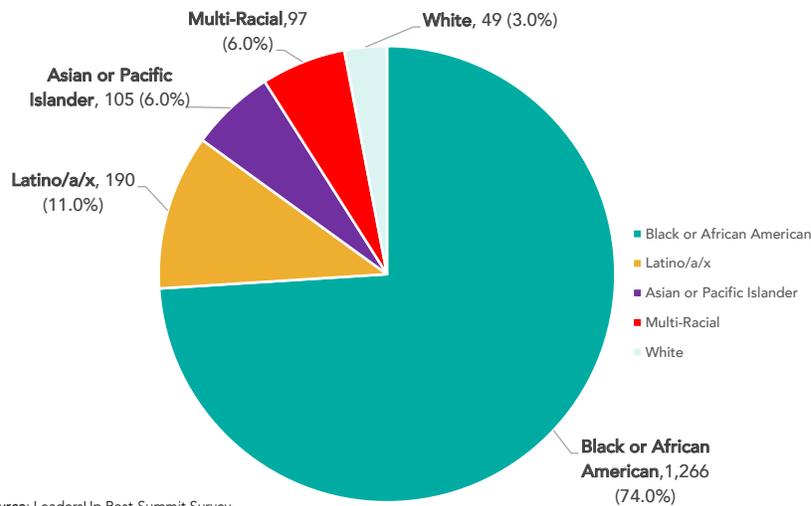
## Demographics

LeadersUp, BAYEP’s core partner and talent intermediary, conducted individual-level exit surveys as a part of the BAYEP career summits. The majority, 74%, of participants in the BAYEP career summits were Black or African American, followed by Hispanic or Latino participants accounting for 11% of total participants. Through this data, the BAYEP collective recognized that this effort was missing large sections of the Bay Area YMOC population. Although efforts were made to

better attract and engage the Latinx and Pacific Islander communities, BAYEP remained a program primarily serving the Black community.

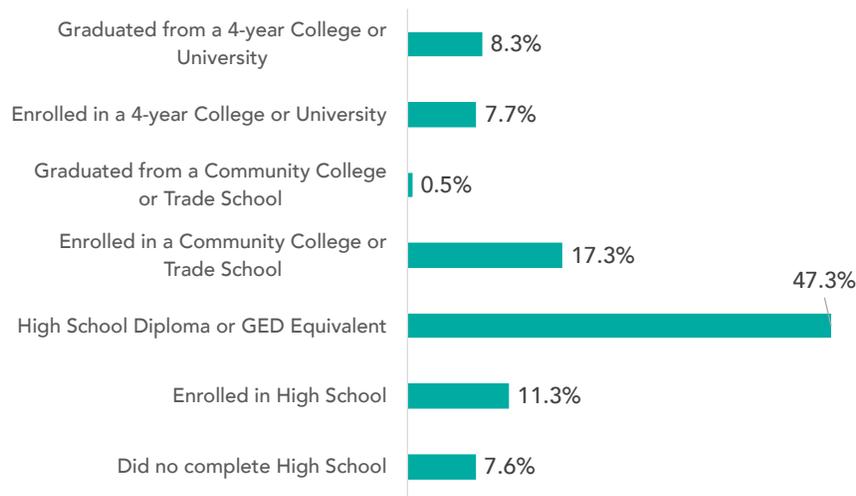
The majority of BAYEP career summit participants held a high school diploma or GED equivalent, were enrolled in high school, or did not complete high school. More than one-third of participants were currently enrolled in some type of secondary education program or had received a degree or certificate from community college, trade school, or four-year institution.

### Race / Ethnicity of Participants



Source: LeadersUp Post-Summit Survey  
Analysis: Bay Area Council Economic Institute

### Educational Attainment of Participants



Source: LeadersUp Post-Summit Survey  
Analysis: Bay Area Council Economic Institute

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SPOTLIGHT

# Talent Development Partners: Analysis and Recommendations – Urban Strategies Council

To better understand the employment barriers young men of color face and effective interventions from the perspective of talent development partners, Urban Strategies Council interviewed local organizations serving young men of color. The insights, priorities, and needs of community-based organizations serving young men of color included:

**1. Young men of color have valuable strengths:** Some of the strengths highlighted by the talent development partners were dedication, courage, perseverance, motivation, creativity, and excitement about working. These traits are valuable assets to companies and often come from life experience rather than professional experience.

**2. Young men of color face disproportionate barriers to employment:** Housing costs, failure of the education system, bias and discrimination, family responsibilities, and misalignment of employment expectations are barriers facing YMOC, as well as trauma, grief, and lack of trust in systems and hierarchy.

**3. Barrier-specific intervention strategies are critical to economic empowerment:** Depending on the barrier, intervention strategies may differ. Some strategies include one-on-one coaching, mentorship, and strong referral linkages between programs and other support services. Broader strategies include relationship building, flexible support networks, and offering transitional jobs.

**4. Successful programs should be held up as models:** BAYEP and other programs can be most successful by learning from existing local programs that work, applying a talent segmentation framework to meet the specific needs of various YMOC populations, and educating employers about the complex lives of young people to help them be successful in the workforce.

# 2

## BAYEP Pilot Findings

Interviews with participants, employers, and stakeholders who participated in the pilot program generated some key case studies. The organizations interviewed were asked about their participation in BAYEP, their diversity and inclusion (D&I) strategies, and their barriers or shortcomings to hiring and retaining YMOC. These responses were anonymized to allow for honest reflection.

The case studies provide examples of how barriers such as transportation costs, hiring tests, and minimum wage

inconsistencies not only prevent YMOC from accessing career opportunities, but also pinch company's talent supply pipelines. What was clear is that a holistic model of inclusion is desperately needed. We will not be able to meaningfully move the needle for YMOC simply by anonymizing resumes or holding diversity and inclusion trainings. We must have an honest conversation about how intractable barriers pertaining to housing, transportation, and education disproportionately affect communities of color and think creatively on how to create an inclusive economy for all.



Though hiring fairs were primarily targeted at young men who experience the largest disparities of outcomes, they were inclusive of young women as well

# Barriers to Employment

Housing and transportation are two of the biggest pain points for everyone who calls the Bay Area home. Employers specifically cited housing and transportation as the most significant barriers to hiring and retaining employees in the Bay Area. For YMOC in the region, growing housing and transportation costs can pose extreme challenges to sustained employment and thus to economic empowerment and inclusion.

**“Employers should ensure that the talent that is required to run their companies have the resources to live and work by supporting public policy for affordable housing initiatives and by creating or investing in innovative alternatives to transportation.”**

**- Jeffery Wallace, CEO and Founder of LeadersUp.**

In the survey given post-summit, transportation and housing were the resources most needed, with 403 (20.9%) and 335 (17.4%) responses, respectively. The third most selected service was childcare, which can be extremely expensive: \$10,609 for an infant and \$9,984 for a preschooler, annually.<sup>14</sup>

## Housing and Transportation in the Bay Area

The Bay Area has experienced tremendous economic growth since the Great Recession, but housing production has not kept up with demand in the region. As a result, housing prices have skyrocketed. In 2018, the average rent for a one-bedroom apartment was \$2,480 in the San Jose metropolitan area, \$3,560 in San Francisco, and \$2,350 in Oakland.<sup>15</sup> Approximately 40%

### Resources/Services Needed by Participants

Resources/Services Needed	#	% of Total Participants
Transportation	403	20.9%
Housing	335	17.4%
Childcare	143	7.4%
Job Training	72	3.7%
Education	71	3.7%
Living Costs	48	2.5%
Foster Care	10	0.5%
Re-entry	9	0.5%

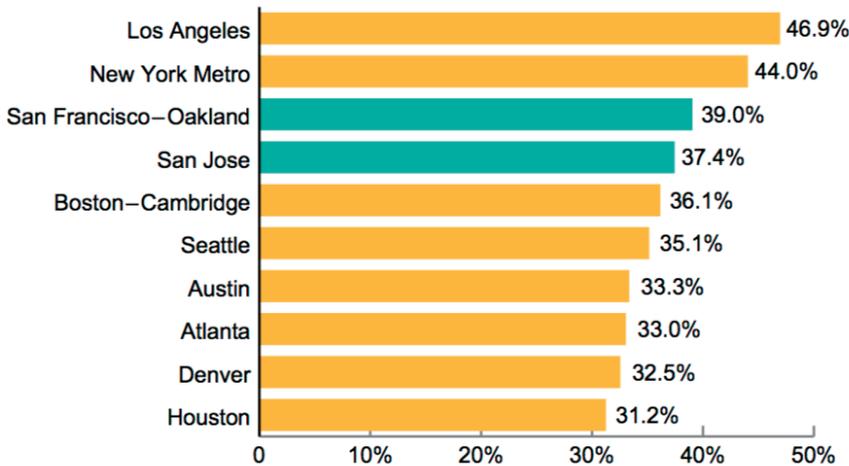
of Bay Area households are housing cost burdened, or spending more than 30% of their income on housing costs. Only Los Angeles and New York City have a higher percentage of cost-burdened households.

The cost of living in the Bay Area has caused many Bay Area families to relocate out of the region. In 2017, the Bay Area experienced a negative net domestic migration of 35,000 people.<sup>16</sup> In addition, 46% of Bay Area residents are considering moving out of the region in the next five years, according to polling by the Bay Area Council.<sup>17</sup>

Low-income families often rely on public transportation rather than driving a vehicle, but the region’s public transportation systems are heavily strained due to increased ridership coupled with a lack of investment.<sup>18</sup> The connection of employment opportunities with minority workers’ access to public transportation is well documented. In 1997, Bay Area Rapid Transit (BART) expanded services and opened a new Dublin/Pleasanton station. Following this expansion, Latinos experienced higher rates of employment within a three-mile radius of the new BART station.<sup>19</sup> Accessibility to employment opportunities via public transportation plays a vital role in the economic well-being and advancement of low-income workers.

## The Bay Area's percentages of housing-cost-burdened households are exceeded only by Los Angeles and the New York Metro.

Households Paying More Than 30% of Income on Housing Costs, 2016



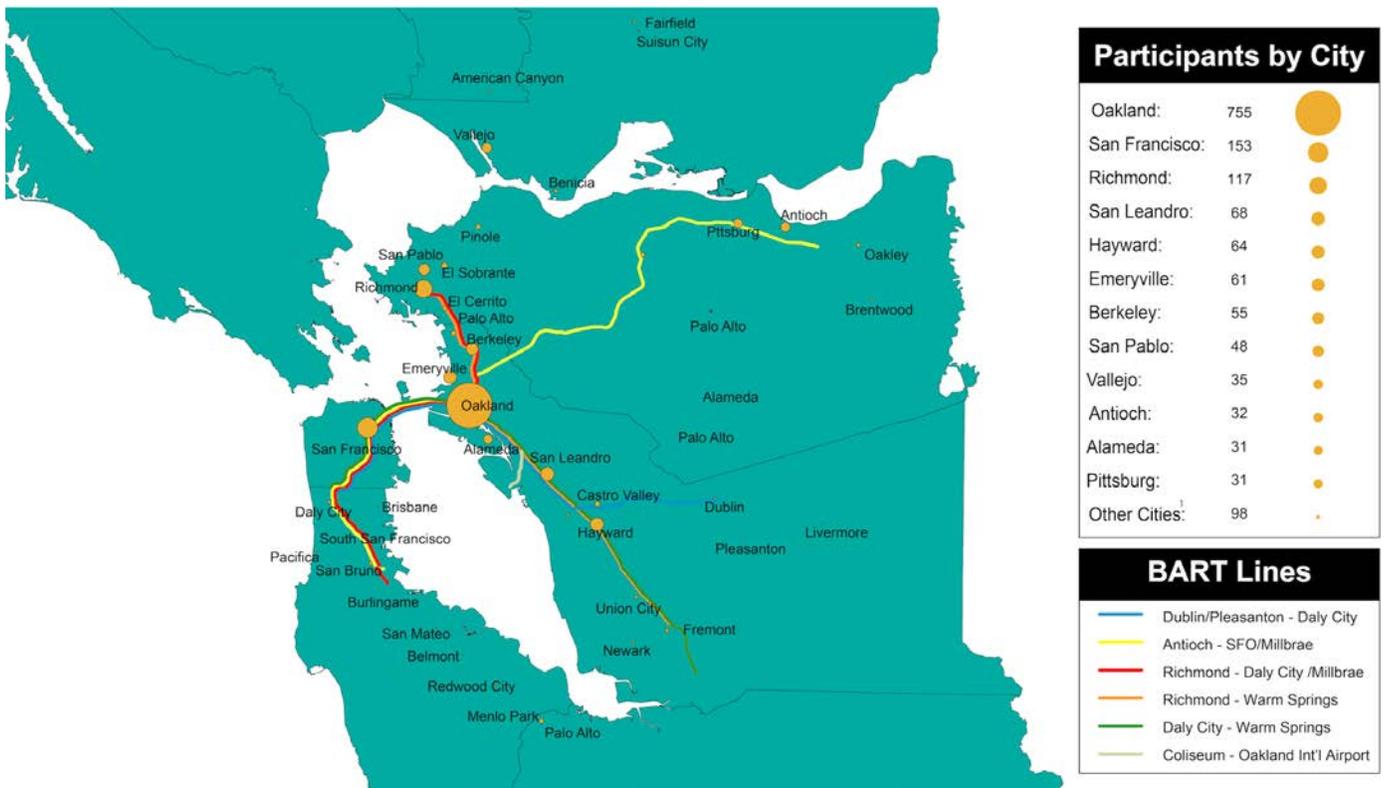
A similar percentage of households are housing cost burdened in all Bay Area Counties.

Bay Area Counties	
Sonoma	41.1%
Marin	40.1%
Solano	39.7%
Alameda	39.5%
San Mateo	39.3%
Contra Costa	39.2%
Napa	39.0%
San Francisco	37.6%
Santa Clara	37.3%

Source: U.S. Census Bureau American Community Survey

Analysis: Bay Area Council Economic Institute

## Participants by City and BART Transit Stops



Participants were from cities across the Bay Area, particularly cities near BART transit stops.

## Commuter Fringe Benefits and Alternative Transportation

The nine-county Bay Area is home to more than 20 different transit operators. Employees from all over the region utilize these public transportation operators to commute to and from work. In September 2012, the Bay Area Commuter Benefits Program, Senate Bill 1339, was signed into law. It requires Bay Area employers with 50 or more employees to offer commuter benefits to employees. There are four commuter benefit options for employers:

Option #	Commuter Benefit
Option 1	Allow employees to exclude their transit or vanpooling expenses from taxable income, up to \$130 per month. (\$260 in San Francisco)
Option 2	Provide a tax-free employer-paid subsidy to reduce or cover employees' monthly transit or vanpool costs, up to a maximum of \$75 per month.
Option 3	Provide a free or low-cost transit service for employees, such as a bus, shuttle, or vanpool service to and from work.
Option 4	Provide an alternative commuter benefit that is as effective in reducing single-occupancy commute trips as Options 1, 2, or 3. Or any combination of options 1,2 and 3.

### BAYEP Case Study: Removing Transportation Barriers

BAYEP employers were not immune to the structural barriers that make workforce development for YMOC a challenge. A prime example was that of a BAYEP cohort of 16 young adults pursuing jobs with an employer partner in South San Francisco. The facility was located two miles away from the nearest BART station, approximately a 30-minute walk. Employees could opt to take a separate bus from BART to the job but would incur a much higher round-trip cost. Furthermore, workers with a "graveyard" shift from 10 p.m. to 4 a.m. could not take BART until 5 a.m. when BART reopened for the day. This transportation issue, coupled with a wage discrepancy which will be discussed later in this report, led the entire cohort to withdraw from the hiring process for this employer.

Knowing the company's high need for talent, trouble with retention, and feedback from job-seekers, LeadersUp recommended the company look into hiring drivers to shuttle their employees to and from the BART station to improve recruitment and retention of employees. A comparable company located near the Oakland Airport was highly successful in recruiting and retaining YMOC through BAYEP, in large part because they offered a round trip shuttle service from the Oakland Coliseum Bart Station to their facility. The challenge that BAYEP experienced in connecting YMOC to an inaccessible employment opportunity is not unique, but it does demonstrate how investment by employers in alternative transportation solutions can be extremely valuable when it comes to talent recruitment and retention.



## COMPANY SPOTLIGHT

# San Francisco International Airport BART Connection



San Francisco International Airport (SFO) is a “transit-first” airport, encouraging both travelers and employees alike to utilize public transit wherever possible to get to and from the Airport. This approach requires the Airport to remove obstacles that might prevent the use of public transit or prevent individuals from considering employment at SFO due to commuting concerns. By 2003, the SFO airlines had separately negotiated a discount for their employees to use BART, but other airport workers were subject to a surcharge of \$1.50 per trip in the early years of the BART extension to SFO. This situation was exacerbated in 2009 when, as a result of financial conditions, the surcharge was increased to \$4.00 per trip.

Knowing that this increase would negatively affect both the use of BART and the retention of airport employees, SFO responded with a series of initiatives. First, the Airport launched a free bus service for Airport employees between the Airport and the Millbrae BART station, which was not subject to the surcharge. This service operated 24 hours a day, seven days a week for over a year. Next, SFO worked with BART to reduce the surcharge for Airport workers to the previous \$1.50. In exchange for marketing, they developed a new “smart fare card” that would automatically calculate the discount for SFO-badged

employees, a program that SFO funded. One shortcoming of this program, however, is the minimum balance requirement on the card for the surcharge to be eliminated. Many YMOC often do not have enough on the card to eliminate the surcharge upon arriving at SFO, which has been a challenge that SFO has worked extensively on fixing.

The airport also took steps to increase BART usage among employees, committing to increase ridership to a level that would negate the need for a surcharge. SFO conducted substantial promotion of this new benefit, marketing in multiple languages to Airport employees, hosting information sessions, and conducting contests and giveaways to generate excitement.

Within a year, employee BART ridership at SFO had increased by almost 80%, well ahead of the approximate 45% increase necessary for the Airport to avoid paying BART under the revenue guarantee. Now, five years later, SFO employee ridership at the Airport BART station is more than triple the levels of June 2013. The BART-SFO Discount Card program is a great example of employers working to find an effective solution to a barrier their employees faced and maintaining their transit-first value.

RECOMMENDATIONS

## Transportation & Housing: What can employers do?

Business leaders should consider how public-private partnerships can drive more equitable access to housing and transportation that will streamline their ability to tap into diverse pools of talent.

Employers can play a pivotal role in the recruitment and retention of their entire workforce, especially YMOC, by addressing housing and transportation barriers. This includes employers providing commuter benefit subsidies, utilizing alternative transportation means for their employees, working with public entities to form public-private partnerships, and advocating for affordable housing and transportation policies at the state and local level, specifically transit-oriented-development projects. Many of the companies that participated in BAYEP provide these benefits to their employees. Some companies, most notably Kaiser Permanente, have been directly involved in investing in communities to provide housing.



Traffic in the Bay Area is the third worst in the nation

# Unconscious Bias in Hiring Systems and Processes

Another key challenge the BAYEP pilot faced was that both public and private employers may unintentionally discriminate through rigid hiring practices. Hiring tests, background checks, complicated online hiring portals, and company policies and state regulations all posed significant barriers to certain groups of workers.

## Systemic Barriers

Young men of color often experience explicit discrimination, but inadvertent or unconscious biases within individuals and/or systems during the hiring process can affect their outcomes as well. At a Bay Area Council employer best practice roundtable on diversity and inclusion, one public employer explained that their hiring test is likely unintentionally discriminatory, but they are required by law to have one. Several employers who participated in BAYEP had hiring exams prior to onboarding. The exams, which consisted of writing assessments or practical exams, ended up serving as a severe barrier to employment in many instances for BAYEP participants. For one cohort, only two out of 14 individuals passed the hiring test. When the employer was asked about the hiring test, they explained that they were well-aware it was a barrier and that many higher-level staff were not even able to pass the test themselves. However, these hiring managers explained, despite their own concerns over the test, it was out of their hands to change the process.

Another public employer was unable to participate in the BAYEP hiring fairs at all due to regulatory barriers. They specified that Proposition 209 or the California Civil Rights Initiative (CCRI) hindered their participation, because it prohibits public institutions from considering gender, race, or ethnicity in public employment, public contracting, and public education. Therefore, they were unable to participate in any workforce development efforts targeting the advancement of specific demographic groups under that law.

Many employers have moved to online hiring as a way to stay up to date in the digital age; however,

an unintended consequence is that online hiring can screen out applications of individuals with criminal history or significant gaps in employment, as well as create accessibility issues. In California, only about 48 percent of households making less than \$20,000 per year have home internet access through a computer and only about 27 percent are connected through a smartphone.<sup>20</sup> In Oakland, BAYEP's anchor city, 47 percent of low-income youth lack access to a home computer, according to the U.S. Census Bureau's American Community Survey. This "digital divide" creates an additional barrier for low-income populations. Many of the youth attendees at the BAYEP career summit needed assistance navigating the complex application portals required by many of the companies, illustrating the need for computer literacy trainings, investment in technology programs at low-income schools, and mentorship to help youth through the challenging online application process.

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**"Leadership needs to align inclusivity with competitiveness as a value and then operationalize these values throughout the organization"**  
- Jeffery Wallace, CEO & Founder of LeadersUp

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Other regulatory barriers that employers are subject to include background checks and drug and alcohol testing. Potential candidates are regularly screened for criminal history, previous work experience and other factors such as having a driver's license, which introduces biases into the hiring process. One employer who participated in BAYEP cited that due to criminal backgrounds and/or drug test failures, they only have one successful hire per 30 interviews, a costly price in time and resources.

To address this barrier, which tends to disproportionately affect people of color, the City and County of San Francisco passed the Fair Chance Ordinance (FCO). This ordinance prohibits employers with five or more employees from asking applicants about arrest or conviction records. This ordinance, along with other ban-the-box initiatives at the state level will open employment opportunities for the nearly 8 million justice-system-involved Californians, who disproportionately are young men of color.

## Unconscious Bias

Employers primarily focus on “soft,” or cognitive skills, for the basis of hiring for entry level positions. BAYEP employers indicated that communication, positive attitude, time management, and problem solving are the most important skills required for employment at their organizations. During the interview process, the assessment of these soft skills is subjective, leading

to potential discrimination, whether intentionally or unintentionally. Employers have experimented with anonymizing resumes and other strategies to combat this; however, when hiring managers lack cultural competencies, implicit biases can still prevent minority populations from being hired.

In one BAYEP cohort, two candidates applying for a retail position cleared the background check, passed the hiring exam, and proceeded to an in-person interview. Upon completion of the interview, neither candidate was offered a position. When LeadersUp requested clarification as to why the candidates (who were qualified candidates for the position) were not onboarded, the response was that the candidates “weren’t bubbly enough.” This subjective and biased judgement prevented two qualified YMOC candidates who participated in BAYEP training from securing employment and serves as an example of how even after overcoming structural barriers, unconscious bias still thwarts YMOCs career development.



The BAYEP career fairs offered young men not only job opportunities but also professional attire for the interview process.

RECOMMENDATIONS

## Barriers in Hiring Process: What can employers do?

Adjusting hiring practices and processes within an organization can be highly beneficial for the recruitment and retainment of employees and can help mitigate discrimination and unconscious bias. Hiring processes vary from company to company depending upon a variety of factors and often are influenced by state policy. Companies should consider the following to champion diversity and inclusion in their workforces:

**Rethink hiring exams.** Hiring test barriers can be addressed in the interim by employers working with talent development partners to ensure test readiness. To really make a difference and open talent pipelines to more diverse candidates, employers should also take an honest look at the content of their hiring tests, as well as the need for them altogether.

**Provide cultural training for hiring managers.** Employers can utilize trainings to mitigate implicit biases during the interview process. This also increases cultural awareness in the workplace, fostering more inclusion and belonging.

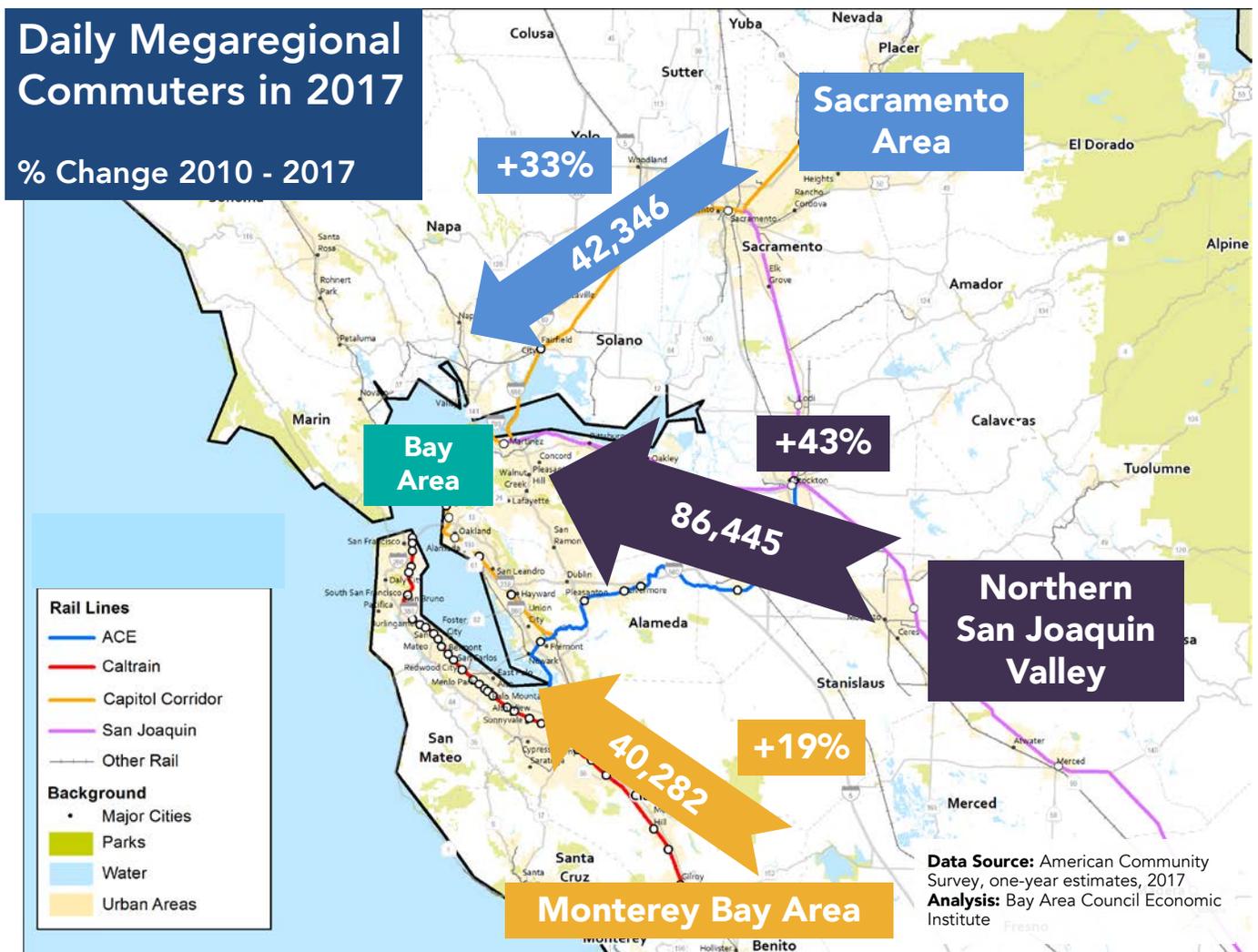
**Become a fair chance employer.** With nearly one in three Americans having a criminal background, re-entry into the workforce is critical for the sustainability of our economy.

**Engage with the community.** Employers with a community-oriented mindset can both mitigate unconscious bias in their company and grow their talent pipeline with diverse job-seekers. To do this, employers should partner with community-based organizations, helping to inform their trainings and by providing internship and career opportunities.

# Regional Approach to Workforce Development

The Bay Area region is comprised of nine counties and 101 cities, but it is an extremely interconnected region with individuals often traveling across city and county lines for work. In fact, high cost of living in the Bay Area has driven many households to surrounding counties,

or the Northern California Megaregion. These counties range from the Northern San Joaquin Valley to the southeast and through Sacramento to Lake Tahoe to the northeast. In total, there are 21 counties that make up the Northern California Megaregion.

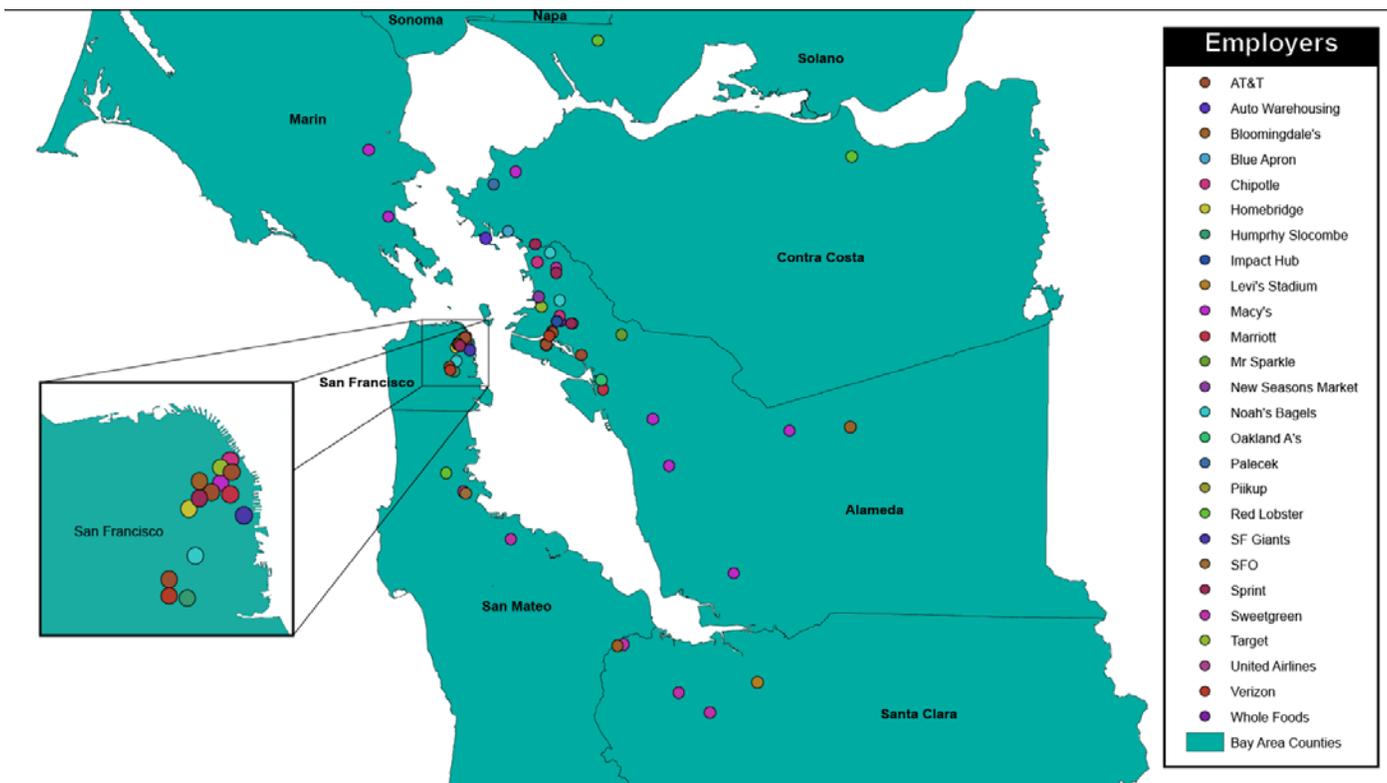


Many individuals commute from surrounding counties into the nine-county Bay Area — a trend that has increased significantly since 2010.

Although the region does have higher concentrations of jobs in urban centers, large employers are peppered across the entire region. The map below shows where job locations were for companies that participated in the BAYEP career fairs. Some companies hired for only one company location, while several companies hired in different cities across the Bay Area. For example, Noah's Bagels hired individuals to work in their San

Francisco, Oakland, and Berkeley store locations. The hiring of youth across various jurisdictions and the fact that so many residents travel across jurisdictional boundaries to work illustrate the regional nature of talent recruitment in the Bay Area. However, workforce development systems are complex and tend to be more city or neighborhood based, offering a challenge for regionally- focused employers.

### Employer Locations in the Bay Area



Employers were hiring for locations across the Bay Area region, furthering the notion of a regional approach to employment.

## Bay Area Workforce Development System

The workforce development system is comprised of numerous stakeholders: employers, state and local governments, community-based organizations, community colleges, K-12, unions, trade associations, philanthropic organizations, and workforce development boards.

In the summer of 2014, President Barack Obama signed the Workforce Innovation and Opportunity Act (WIOA) into law. Through this law, each state established workforce development boards with coordinated funding streams. The boards are the designated conveners of stakeholders to develop sector-based pipelines to align current and future needs of businesses with education, labor, and community organizations.

California's established Workforce Development Board, in collaboration with the state's Employment Development Department, developed California Regional and Local Workforce Development Plans. These plans, which run from 2017-2020, call for the development of regional sector pathways for in-demand careers. The plans focus on alignment at the regional level of the various stakeholders in our workforce system (CBOs, employers, community colleges, etc.) to implement sector strategies, career pathways, and regional partnerships. The regional plans span across California and each region has its own respective focus areas and key sectors of employment.

California has invested particularly heavily into community colleges across the state to cultivate and prepare the current and future workforce for employment. Although this has been identified as a priority and extensive resources have been deployed to work on alignment, alignment of community-based organizations to achieve the same goals, systematized partnerships with employers, and keeping up with fast-changing workforce demands remain a challenge, despite the best efforts of many.

As one of the largest and most diverse talent pipelines of the state, the California Community College system consists of 114 community colleges that currently serve over 2.1 million students. Several of these community

colleges have direct partnerships with local employers to establish pipelines to employment. Effective employer engagement helps workforce development entities develop a deeper understanding of employer needs, design appropriate programs, and allocate necessary resources.

Community colleges rely on employer input to inform their curriculum development, and while individual programs have shown success across various community colleges, there is not yet a proven systematic approach to establish and sustain these partnerships. Based on conversations with both employers and educators, programs are successful due to one or two driven individuals committed to the partnership. Although this has been successful for several pipelines, California will not reach the scale needed until the state provides either requirements or incentives for collaboration with employers.



Young man discussing job opportunities at BAYEP career

Community-based organizations (CBOs) also play a vital role in workforce development for populations with greater barriers to employment. CBOs establish workforce development programs to prepare workers for employment through skills and job trainings, education, work experience, and coaching. To overcome persistent barriers to employment, CBOs and other local entities often offer child care services, access to transportation, and financial assistance through their programs. With their direct involvement in the community, CBOs serve as a convener between employers and potential employees. CBOs aim to go beyond job matching and work toward developing a trusting relationship with employers to help job-seekers connect with employment opportunities.

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**“Workforce systems should work more collaboratively and comprehensively to align educational trainings and offerings with industry.”**  
- Jeffery Wallace, CEO and Founder of LeadersUp

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CBOs often suffer from limitations including capacity issues, territory issues with other CBOs, and lack of visibility by employers. Alignment among CBOs, employers, and community colleges can help to provide more streamlined pathways to trained talent, as opposed to employers maintaining a multitude of relationships with different training organizations.

A key finding of the BAYEP pilot was that there is misalignment of the way we structure our workforce development system. CBOs, for example, are focused on the neighborhood or community level services and career development. They caution that it is difficult for their job-seekers to hold a job outside their immediate neighborhood or city. While this concern is valid and informed by years of experience working with job-seekers, it does not reflect the reality of our mobile Bay Area workforce. Many people do not work in the same city, let alone the same county, where they live. Housing costs have driven residents farther and farther from job centers. It is clear that the Bay Area needs a regional approach to workforce development to more accurately reflect the reality of where jobs and opportunity are located.

## **BAYEP Case Study: Regional Approach to Workforce Development**

While BAYEP highlighted how our workforce development system has room for improvement in tackling the issue with a regional lens, BAYEP also found that not all employers take this regional approach either, sometimes to their detriment. A key example was how minimum wage disparities across city lines can hinder employers' ability to hire and retain employees. In one BAYEP cohort, the wage offering for the position was \$10.35 per hour, the minimum wage set for San Bruno. However, this employer was having major challenges hiring and retaining workers. This is because the wage in San Francisco for the exact same position starts at \$14.00 per hour. This wage disparity and lack of accessible public transportation made this particular location very difficult for hiring for this employer. This example shows the need for employers to offer consistent wages across a region to avoid the shifting of talent to more lucrative geographies.

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RECOMMENDATIONS

## Regional Approach to Workforce Development: What can employers do?

With a uniquely interconnected Bay Area region, employers will be better able to grow talent pipelines by taking a regional approach to workforce development. This approach will require effective and efficient engagement and collaboration across the complex workforce system. To maximize efficacy from a regional approach, employers should consider the following:

**Direct involvement with regional hub organizations.** The workforce development system is complicated and balkanized, but collaboration with regional workforce development systems (e.g., CBOs, nonprofits, and community colleges) is critical. Working with convening organizations to navigate the complex landscape will help employers access talent at a regional scale.

**Consistent wages to leverage talent on a regional scale.** Understanding minimum wages across neighboring cities will help alleviate some of the talent pinch employers are experiencing in a highly competitive regional market.

**Transportation alternatives.** As stated in the Housing and Transportation section, employers offering commuter benefit bus shuttles and/ or carpooling incentives to workers will help with recruitment and retention of employees across the region, as well as reduce congestion.



Youth applying for positions online at the career fair

# Tracking of Diversity and Inclusion

Within the Bay Area region, males of color represent 65% of the 18- to 29-year-old male population.<sup>21</sup> Given the diverse demographics of the Bay Area, firms and organizations are rapidly changing their approach to hiring a more diverse and inclusive workforce. Bay Area based companies such as Wells Fargo and Kaiser Permanente rank among the top 50 companies for diversity.<sup>22</sup> Internally, organizations have established dedicated departments for diversity and inclusion efforts, focused on human resources aspects, such as hiring practices, management, inclusivity, and more to ensure the organization is making a conscious effort to foster a diverse workplace.

While these efforts have had major successes anecdotally, tracking and measuring the effect of these efforts is difficult. For example, many companies have established demographic affinity groups as a D&I strategy; however, most do not track the effect on hiring or retention, only the attendance and participation in the affinity groups. Not tracking these efforts makes it difficult to truly gauge the effect these groups have on overall workplace diversity.



Young man getting a haircut at the career fair

## Best practices in measuring D&I metrics are:

- The metrics should be clearly stated and communicated across the organization to provide a clear plan of action to drive improvements;
- These metrics should be tracked over time to provide trend measurements as opposed to point-in-time measures to truly gauge success or failures; and
- The metrics should be strategic and developed with the diversity vision in mind to bake D&I values into the priorities of the organization.

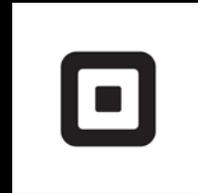
Organizations typically measure diversity through readily available data such as gender. However, diversity and inclusion extends beyond gender. Employers must consider the legal and ethical requirements to collecting and storing this sensitive information. Therefore, it is important to review data policies and establish strict guidelines to protect this information and use it appropriately. To collect sensitive information about employees, employers can issue voluntary disclosure surveys. One drawback of this approach is the potential for many employees to opt out. Other data collection methodologies include focus groups, employee surveys, and exit interviews. Tracking time to earn promotions can further add value to retention metrics and potentially uncover inadvertent bias within the organization.

The management adage “what gets measured, gets done” is relevant to diversity and inclusion. Through the establishment of benchmarks, employers can track their efforts in the short, medium, and long run to remain on track to reach their goals. Without these metrics, companies do not know how to most effectively deploy resources to improve workplace D&I.



## COMPANY SPOTLIGHT

# Square: Employee Referral Pilot



Late in 2018, Square launched an underrepresented referral bonus pilot. The goal was to increase the number of women and underrepresented minorities (“URMs”) in tech roles and senior business roles. In October 2018, Square announced the referral bonus pilot internally. Square offered a \$4,000 referral bonus to any Square employee who submitted a qualifying referral in the fourth quarter of 2018, where said referral was subsequently hired and stayed at Square for at least six months. Qualifying referrals included women and URMs in technical roles, and women and URMs in senior business roles. Square limited the pilot to EEO-1 groups because they are relevant, measurable indicators of how effective the program is in recruiting and supporting underrepresented talent. Square also chose to focus on specific seniority levels after evaluating the diversity of their current employee population and deciding that this is where they needed to make a greater effort.

One major challenge was tracking the referrals submitted as part of the pilot so they could accurately measure results. Accordingly, Square built a new, entirely separate referral submission process that allowed them to track pilot referrals specifically. Multiple teams, including Talent, Inclusion & Diversity, Internal Communications, Compensation, and Legal

all coordinated on the design and rollout of this pilot. An added benefit was that this allowed them to unlock new levels of data, overcoming previous limitations in understanding and tracking URM interview performance as compared to the entire candidate population. The results suggest that the pilot was not an effective means of increasing the number of URM candidates and that a monetary bonus did not drive a measurable increase in the number of underrepresented referrals or hires.

With a more detailed referral tracking process, Square was able to track underrepresented referrals (as compared to their broader pool of candidates) throughout the entire hiring process. Prior to the pilot, Square had a limited view into how different talent populations were performing in each stage. With a better understanding of the pass-through rates for each group in the pilot, they had an additional opportunity to assess the health of their overall hiring process and ongoing efforts to mitigate for bias. Square discovered that throughout every phase of the process, the pass-through rates were nearly identical for the underrepresented referrals and general pool during the pilot. This finding demonstrates the continued efforts to strengthen and remove bias from their hiring process are working.

## Additional Initiatives

There have been several initiatives aiming to enhance the tracking of diversity and inclusion within the workforce development system. The federal government has set forth the Workforce Data Quality Initiative (WQDI) in 2010 to address the lack of data collection, reporting, and usage. This initiative provides grant funding to states to develop (or expand) longitudinal databases at the individual level to conduct analysis on workforce education systems. As of 2019, the State of California has yet to receive a WQDI grant.

Additional legislation designed to strengthen and improve the nation's workforce system comes out of the Workforce Innovation and Opportunity Act

(WIOA). To increase accountability, states must present quarterly and annual performance indicators for the core programs funded by WIOA. Under the guidelines of WIOA, there is limited ability to track long-term individual growth and retention. Once individuals complete the program, they are tracked for six months and one year post-completion. The challenge with WIOA grant tracking is that the system of tracking individuals is extremely taxing and rigid. In fact, at one WIOA grantee convening, a service provider said it would not have applied to the grant if it knew how extensive the tracking requirements were. Therefore, a balance between gathering the data needed to track efficacy of programs, without over-burdening employers and service providers with tracking, is necessary.

## BAYEP Case Study: Tracking

Employers have embraced several strategies to better track outcomes during the recruitment process. Due to federal regulations, employee information is protected unless the employee decides to self-identify into selected categories. To navigate around this, BAYEP employers have introduced "talent profiles" where an employee can decide whether to disclose their demographics, career interests, and other descriptive attributes. Employers expressed their use of unique QR codes that pertain to specific recruitment efforts, such as the BAYEP career summits. This unique identifier is scanned during the online application process and allows for employers to track the career outcomes of these individuals. This innovative approach to data collection during the recruitment process was extremely useful in protecting information from individuals, while still gathering important demographic data and employment barriers.



Youth of color being educated on different opportunities at the career fair.

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RECOMMENDATIONS

## Tracking of D&I: What can employers do?

Employers have struggled to accurately track diversity and inclusion within their organizations. This stems from regulatory barriers and lack of personnel to gather and measure these metrics. To truly embrace D&I efforts, employers should consider the following factors:

**Establish tracking metrics within the organization.** Beyond metrics such as age and race, employers can get a more holistic picture of their workforce by tracking time to promotion, retention, upskilling, and workplace satisfaction.

**Invest resources into tracking.** Employers can develop their own internal teams whose goals are tied to D&I metrics of success, or employers can hire consultants for a third party perspective on how to strategically assess and implement D&I practices at their organization.

**Tie D&I to management goals.** One employer who worked with BAYEP had an extremely successful D&I program focused on holding managers accountable for the development and fostering of a diverse team. By actually evaluating managers on their D&I performance, they have become one of the most diverse large employers in the region and are proud of their progress.



Young man who successfully attained employment at the career fairs.

# Career Pathways

“Career pathways” has become a commonly used buzzword phrase in the workforce development world over the past several years. Workforce development entities emphasize career pathways as an approach needed to prepare economically and educationally disadvantaged individuals for employment and advancement in their careers. These pathways focus on high-demand jobs across several well-compensating sectors, such as manufacturing, information technology, and healthcare. Career pathways create the bridge between entry level employment and a well-paying, long-term career by building up the competencies of an individual through up-skilling, work experience, credential attainment, and other growth services.

## Transparency of Career Pathways

Through BAYEP’s focus on career pathways, it emerged that career pathways within a company, occupation, or industry are often unclear. While entry level employment is a critical first step for economic inclusion, the path to grow within a company and move from a minimum wage, entry-level job, to a middle-skill career is not paved. Hopping between entry-level jobs does not lead to economic self-sufficiency. To create better outcomes for young men of color, businesses should establish explicit frameworks to illustrate opportunities for employment and upward mobility. These frameworks can be marketed through strategic partnerships, website descriptions and graphics, program materials, marketing advertisements, and published reports. For these pathways to be sustainable, a cultural shift must occur where the framework is utilized as a business strategy.

## Community Colleges

Employers can generate and accelerate growth within their organizations by partnering with local community colleges to establish career pathways. Across California, there are 114 community colleges with over 2.1 million students enrolled. Furthermore, 67% of enrolled students come from ethnic backgrounds. Community colleges are the epicenter of leading career pathway initiatives by offering a broad scope of basic skills, technical training, and post-secondary education. By collaborating with community colleges, employers can implement a specifically tailored curriculum to provide high quality education, training, and services that align with the skill needs of the economy. Through this curriculum, employees can acquire credentials and the secondary or post-secondary education necessary for employment and promotions. The credentials should also be stackable, portable, and recognized across the industry to help an individual enter or advance within an occupation or sector of employment.

Community colleges can create a bridge out of poverty into well-paying jobs by implementing career pathway initiatives. In addition to providing training, apprenticeships, and job offerings, community colleges also provide academic and career counseling services, financial aid, childcare support, and other additional resources. An example of a program that provides resources to enable career advancement is California Work Opportunity and Responsibility to Kids (CalWORKs), established in 1997 to help low-income Californians achieve their educational and employment goals and become economically self-sufficient. The chart below lists the services provided by CalWORKs.

Services Provided to CalWORKs Students <sup>24</sup>
1. Coordination of services between the colleges and the counties
2. Academic, career, and personal counseling services to focus goals and develop student education plans
3. Case management to track progress, support persistence, and make appropriate referrals to on-campus and off-campus services
4. Work study employment
5. Job development and placement services
6. Childcare
7. Curriculum development and redesign to accommodate TANF benefit time limits



## SPOTLIGHT



# California Community Colleges Career Education Bay Area

California Community Colleges are the largest provider of workforce training in the nation, serving more than 2 million students annually at 114 colleges across the state. Currently, there are 28 community colleges that comprise the Bay Area Community College Consortium (BACCC) surrounding the San Francisco and Monterey Bays. These campuses provide Career Training Education (CTE) programs to establish career pathways for individuals. More than 200 CTE programs are taught by instructors and expert professionals to provide hands-on training while establishing the comprehensive skills needed to succeed in jobs of today and in the future. Through the 2018-2019 Strong Workforce program, \$248 million has been allocated to spur career education in the California Community Colleges with nearly \$20 million allocated as a regional share for community colleges in the Bay Area in 2018-2019.

Career paths offered by the Bay Area community colleges include: Advanced Manufacturing, Life Sciences / Biotechnology, Global Trade & Logistics, Energy, Construction & Utilities, Advanced Transportation & Renewable Energy, Health, Agriculture, Water & Environmental Technologies, Information Communication & Digital Media, Public Safety & Emergency Medical Services, Retail/ Hospitality/Tourism, Education, and Small Business.

The workforce outcomes of students from every program are reviewed annually across each campus in the state. The student success metrics used are the following: an increase in earnings by 50% or more, attainment of the regional living wage by 70% or more, and 90% or more are employed in a job similar to their field of study. Three hundred and sixteen programs in the Bay Area achieved at least one of the metrics, with 30 programs accomplishing all three metrics in an outstanding effort. In 2016-2017, 14,463 students graduated or received certificates from their CTE program in the Bay Area.<sup>25</sup> Of the 14,463 students, 9,941 (69%) were economically disadvantaged according to the California Department of Education definition, which includes students who are CalWORKS recipients. A large majority of this number (70%) were youth of color or students under the age of 30.

Community colleges in the Bay Area exemplify how career education can establish career pathways for youth of color across a variety of fields and industries. Through the alignment of student successes and program metrics, community colleges have been highly successful in advancing economic opportunities for individuals in the Bay Area and across California.

## Community and Regional Partnerships

Employers who engage with local and regional workforce, education, human services agencies, community-based organizations, and talent development partners can help build the foundation of career pathways. Strategic regional partnerships expand employer's recruitment efforts through community outreach. Through this outreach, employers can leverage local talent to provide employment and career opportunities for individuals at all skill and education levels. Employers can make a regional impact by identifying key economic industries or sectors of employment that will allow for the partners to align their strategies through a regional pathway vision. This will promote stronger collaboration among the stakeholders and more efficient use of resources. Alignment of these efforts has been rather difficult to accomplish, thus conveners such as the Bay Area Council should be leveraged to establish the connections of public and private stakeholders.

## On the Job Training

On-the-job training is an additional component for upskilling employees. Employers can offer skills training or leadership training through online courses and formal training classes. To accommodate workers' schedules, employers can offer the courses during non-traditional school hours (i.e., night and weekend courses). The courses can be subsidized by the employer or participating partner(s) to assist with the participation of the employee(s). Different types of on-the-job trainings include paid work-based education, apprenticeships, and internships. Through these experiences, employees are exposed to new skillsets and opportunities that can advance the employee in a career pathway.

Mentorship programs within organizations are also essential in providing employees with appropriate guidance in their career pathway. This internal

relationship entails either a manager or an experienced, knowledgeable employee assisting with the onboarding and/or the professional development of the employee. Mentoring is a powerful form of job training, as mentors help employees absorb the social and cultural norms of the organization. Additionally, mentors can help employees grow in their current position and become prepared to take on new roles and responsibilities in their careers. For YMOC, this is crucial for retention and advancement purposes in their professional development.

## Supportive Services

Individuals that are economically and socially disadvantaged often require support services beyond employment. These "wrap-around" services help drive retention and may include career counseling, transportation stipends, housing assistance, and child care assistance. These comprehensive support services can help low-income employees and households successfully balance financial, transportation, housing, and family obligations, helping them keep their job when unexpected challenges emerge.

## Retention Strategy

Career pathways are not just a way to promote economic inclusion and mobility, they are also a growth strategy within the organization. Employers cited that retention is more difficult for YMOC than recruitment, indicating the need for wrap-around services and a clear career trajectory. Companies that demonstrate their willingness to foster growth will experience longer tenures and enhanced work performance. A key factor in making career pathways transparent is representation throughout the company. When an underrepresented group sees individuals from similar backgrounds in upper management positions, they not only aspire to attain those positions, but see that it is possible; and they can see themselves growing at the company.

## RECOMMENDATIONS

# Career Pathways: What can employers do?

Ensuring that employees have transparent career pathways benefits both employers and employees. Clear career pathways strengthen the current workforce, while simultaneously constructing the framework for the workforce of the future. LeadersUp CEO Jeffery Wallace states that, “Industries should be strategic and transparent in expressing their competencies required for current and future employment to ensure future talent is exposed and prepared for those roles.” Businesses aiming to establish career pathways within their organization should consider the following:

**Create transparent career pathways.** This will encourage the recruitment and retention of current and future employees. This also assists workforce systems by granting them insight into current and future needs of employers, leading workforce systems to establish properly aligned trainings and upskilling opportunities.

**Offer opportunities for training and upskilling.** Employers can encourage employees to gain new and valuable skills by offering access and connections to trainings. Through upskilling, employees have greater upward mobility within the organization, which further enhances retention. Employers reap the benefit of higher-skilled employees.

**Establish mentorship programs.** Mentorship programs are not only a retention strategy, but also provide employees with a career coach and sponsor to help advance them in the company. Strong mentor programs help guide employees through their career pathways.

**Offer referrals to supportive services.** Employers can cultivate a stronger, more resilient workforce by building relationships and connections with wrap-around service providers, including organizations who aid in child care, training opportunities, transportation subsidies, or other services. By wrapping supportive services around employees, they are more likely to stay and grow their skills at the company.

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353 Sacramento Street, Suite 1000, San Francisco, CA 94111

[www.bayareaeconomy.org](http://www.bayareaeconomy.org) • [bacei@bayareacouncil.org](mailto:bacei@bayareacouncil.org)