

# The State of Entry-Level Employment in the U.S.

*A study examining the potential effectiveness of impact hiring on youth unemployment*

March 2017

*Supported by*



# Executive Summary

Youth unemployment is a serious, but not unsolvable, problem in America. There are millions of opportunity youth in the United States, young people ages 18-24 who face barriers to economic participation. Impact hiring provides employers with new approaches to talent practices—specifically related to recruitment, hiring, and retention—that address their entry-level talent challenges and improve employment outcomes for those who face barriers to opportunity, including disadvantaged youth.





This study was conducted by the research firm Edelman Intelligence with support from The Rockefeller Foundation to uncover entry-level hiring challenges for employers and youth, reveal perceptions about entry-level jobs, and identify solutions to address these challenges.

Findings indicate that:

- Employers are concerned with finding and keeping the right entry-level talent to meet their business needs
- Nearly half of employers cite sourcing enough candidates as a top challenge when filling entry-level jobs
- Screening for college degrees in the hiring process denies youth the opportunity to learn skills on the job
- The top metric for evaluating the success of entry-level employees is how well the employee fits with company culture
- There is a disconnect between the benefits and supports employers think will matter to younger workers and those that truly matter to them
- By overlooking opportunity youth in hiring processes, employers are ignoring candidates who could serve as the solution to many of their hiring challenges for entry-level roles

# Methodology

The study was conducted among **n = 1,202** respondents living in the U.S. The online survey was fielded **Jan. 27- Feb. 5, 2017**.

	Audience	Audience Definition	Sample Size
	C-suite Members	C-suite professionals at large companies (2500+ employees), are 30-65 years old, C-suite or president	N = 100
	HR Professionals	HR Professionals (In-house recruiters, HR directors/managers) who handle the hiring and screening processes of entry-level employees, work at a large company (2500+ employees), are 25-65 years old	N = 101
	Recent College Graduates	People ages 20-26, have graduated from a 2- or 4-year college (either in-person or online). Have an entry-level job.	N = 501
	Opportunity Youth	People ages 18-24, not currently enrolled in high school or college and have not graduated from a 2- or 4-year college (either in-person or online). Must have finished some high school. Are currently unemployed and actively seeking an entry-level job, or plan to start searching within the next three months.	N = 500

# **New labor market, old hiring practices**

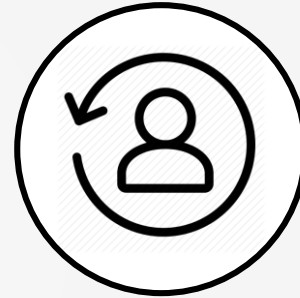
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**As the labor market tightens and demographic and technological shifts usher in major changes, companies are increasingly competing for talent to fill entry-level level jobs—which employers cite are important to business performance.**



**97%**

**of employers cite that entry-level positions are important to the success of their organization**



**43%**

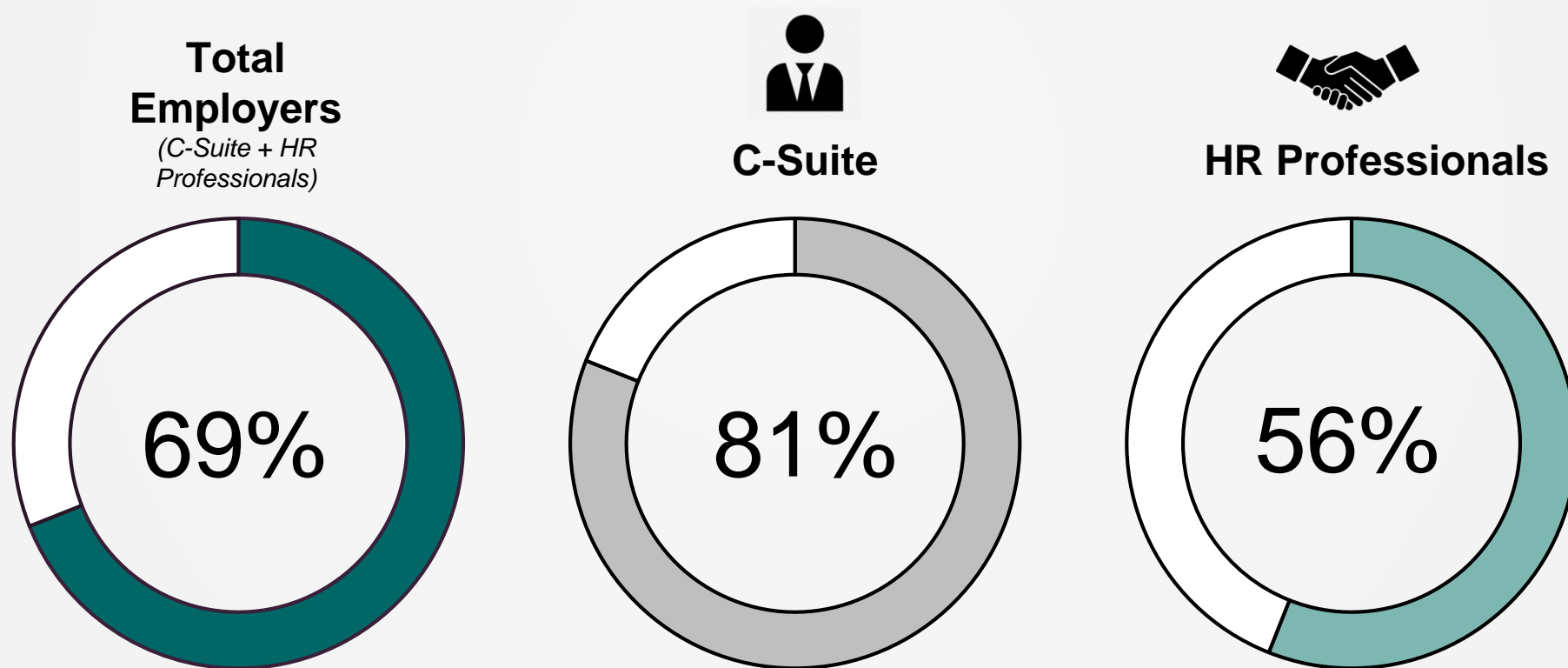
**of employers cite sourcing enough candidates as a top challenge around hiring and retaining entry-level jobs**

Q19: How important are these entry-level jobs to the success of your organization?

Q23: Thinking about the challenges around hiring and retention for entry-level positions, which of the following do you see as the top 3 challenges?

**Yet, employers are still relying on outdated hiring practices to identify talent. A college degree is a primary screening criteria for many entry-level jobs.**

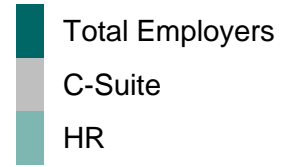
*Showing percent of employers whose company uses a college degree as a screener*



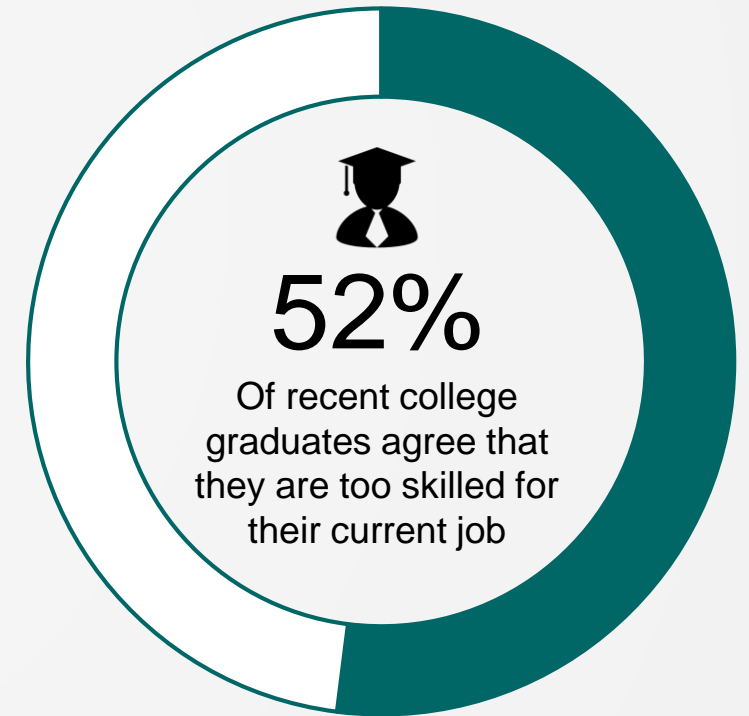
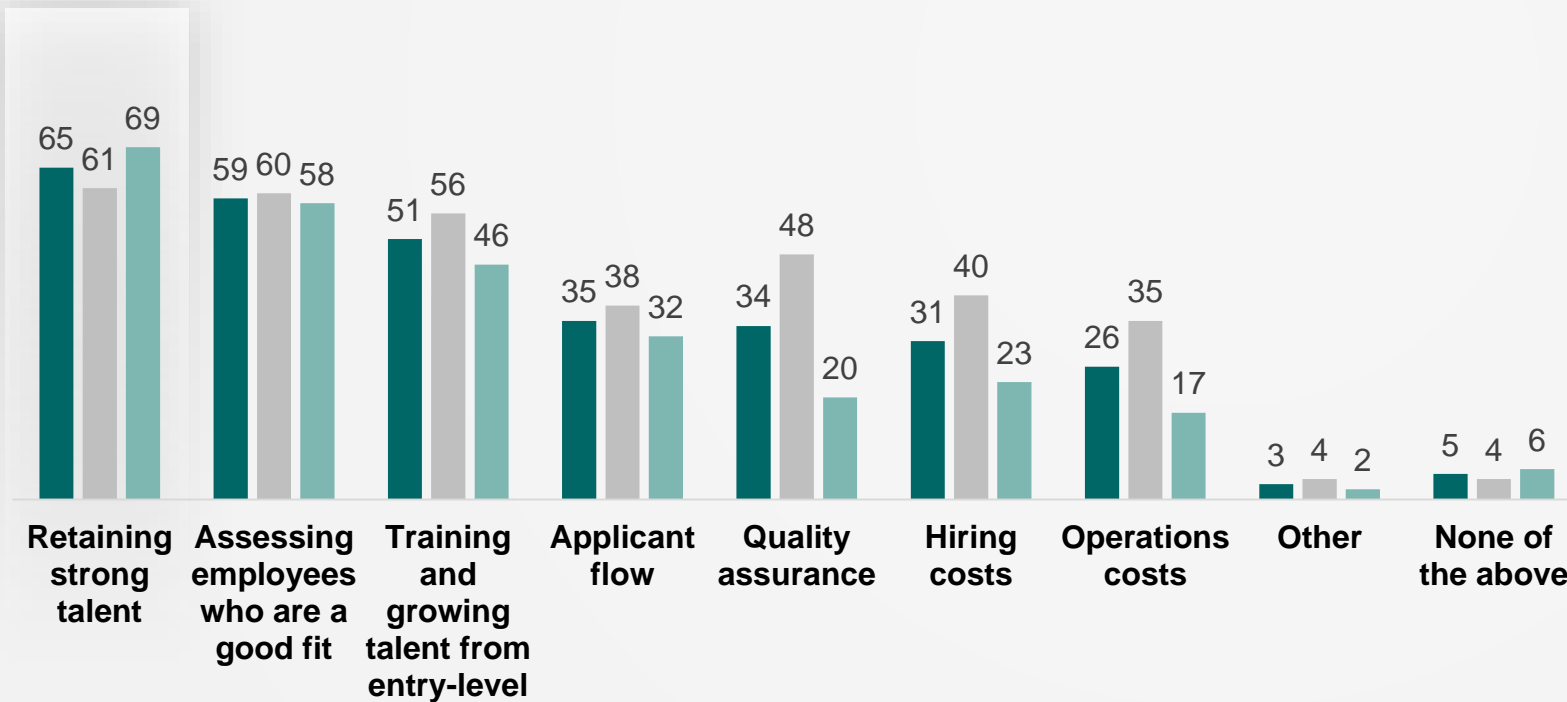
Q12: Does your company use a college degree as a screening criteria when filling entry-level positions?

In the survey, "entry-level" was defined as junior level roles (or introductory jobs) designed for workers with little to no previous work experience -- where employees gain experience and initial job market skills.

**Data suggest that these methods do not effectively achieve their goal—companies continue to face many hiring and retention challenges, with too small a talent pool and employees feeling overqualified for their positions. In doing so, employers are overlooking opportunity youth in their hiring processes, consequently ignoring a key talent pool for entry-level jobs.**



*Companies' hiring challenges, showing percent selected*



Q17: Which of the following do you see as a challenge when looking to hiring employees within your current organization?

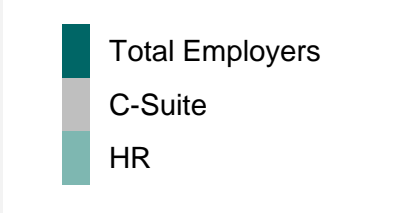
Q35: Below is a list of statements describing different impressions of the current job market. Please indicate how strongly you agree or disagree with the following statements.

**Screening for a college degree  
denies youth the opportunity to  
build skills on the job**

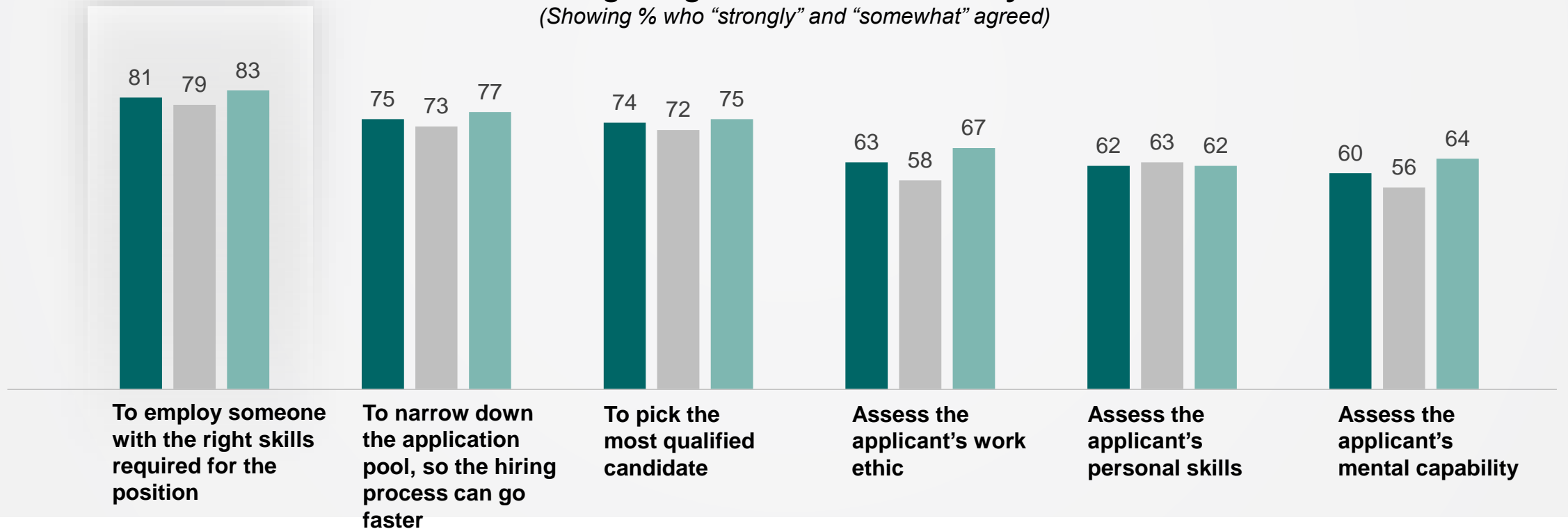
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**Most employers still value a college degree and believe that it is the most effective way to employ someone with the right skills required for the position.**



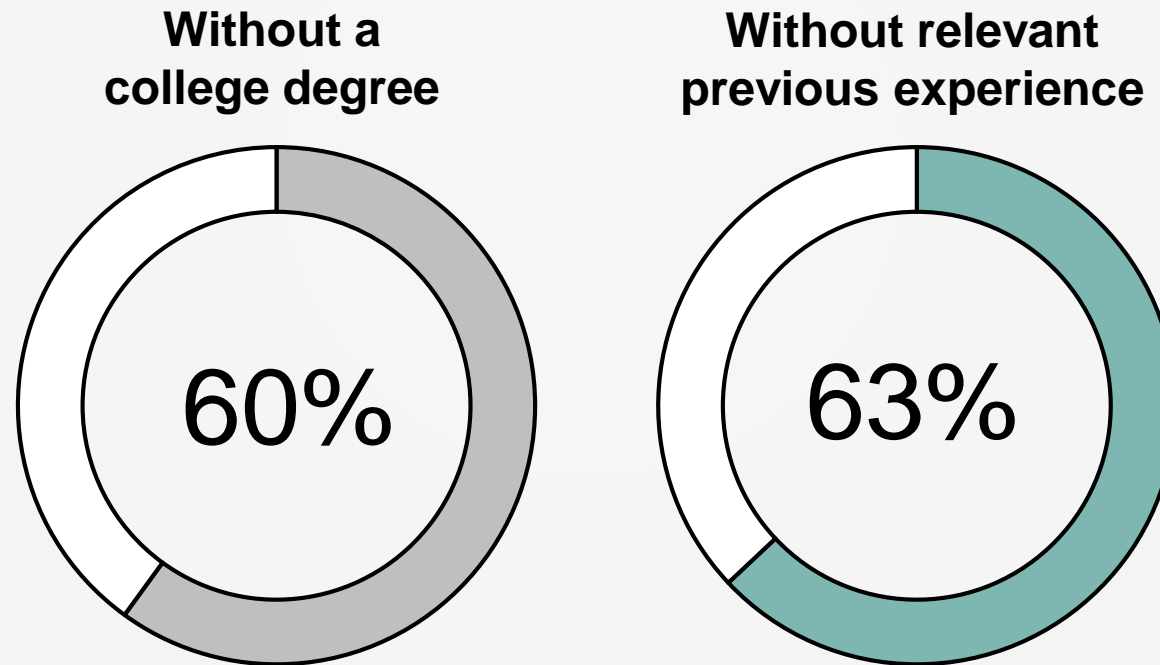
**A College Degree is an Effective Way to...**  
*(Showing % who “strongly” and “somewhat” agreed)*



Q63A: Please indicate how strongly you agree or disagree that a college degree is an effective way to achieve the following:

**In fact, C-suite prefer to hire candidates without previous experience over those without a college degree.**

*Showing percent of C-suite who favor hiring the following candidates for entry-level positions*



**However, nearly half of recent college graduates aren't using the skills they learned in college, but rather learning skills on the job.**



**49%**

**of recent college graduates agree they didn't need to go to college to have the skills needed for their job**

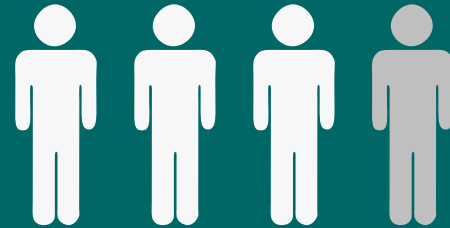


**86%**

**of recent college graduates are learning skills outside of their college degree**

**Opportunity youth aren't given the same opportunities for skill-building because they lack college degrees. Therefore, screening for college degrees in the hiring process, denies opportunity youth the ability to get a foot in the door, build skills on the job, and create more meaningful opportunities for life-long career success.**

**75% of opportunity youth agree**

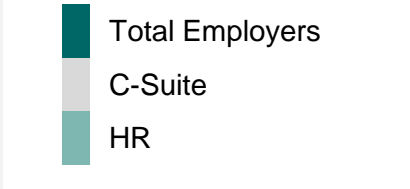


**Not having a college degree limits their job options**

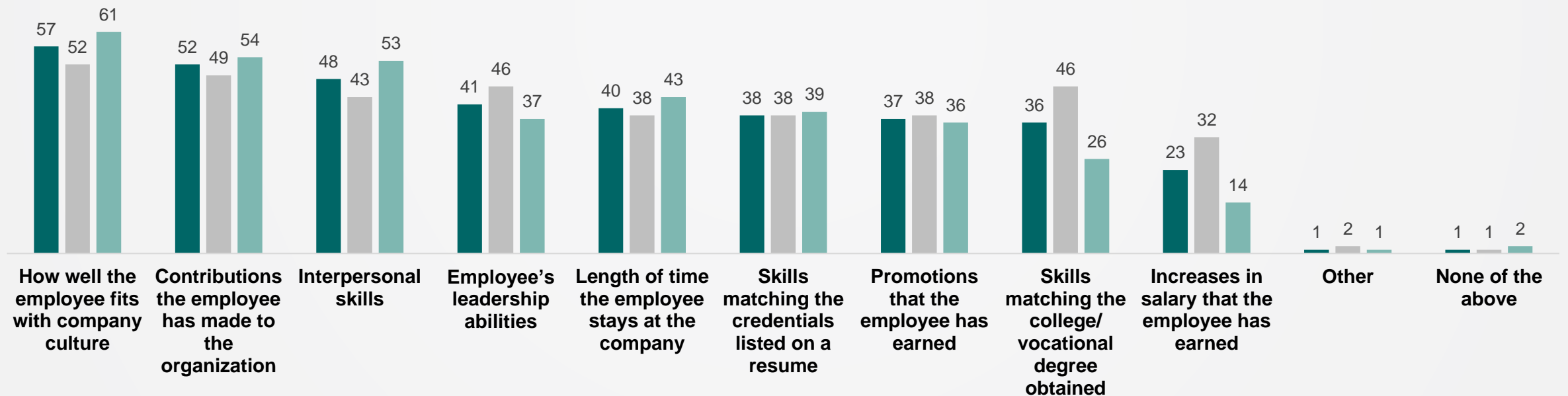
# **The importance of a cultural fit**

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**The top metric for evaluating the success of entry-level employees is how well the employee fits with company culture, which can be a subjective and unscientific way of screening candidates. For this reason, most employers use college degrees as a requirement in the screening process—a blunt proxy for general skills because employers lack alternate tools or methods to predict candidates’ career success.**

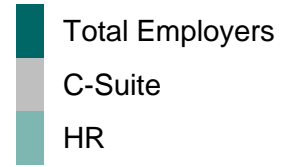


*Companies’ ways of determining success, showing percent selected*

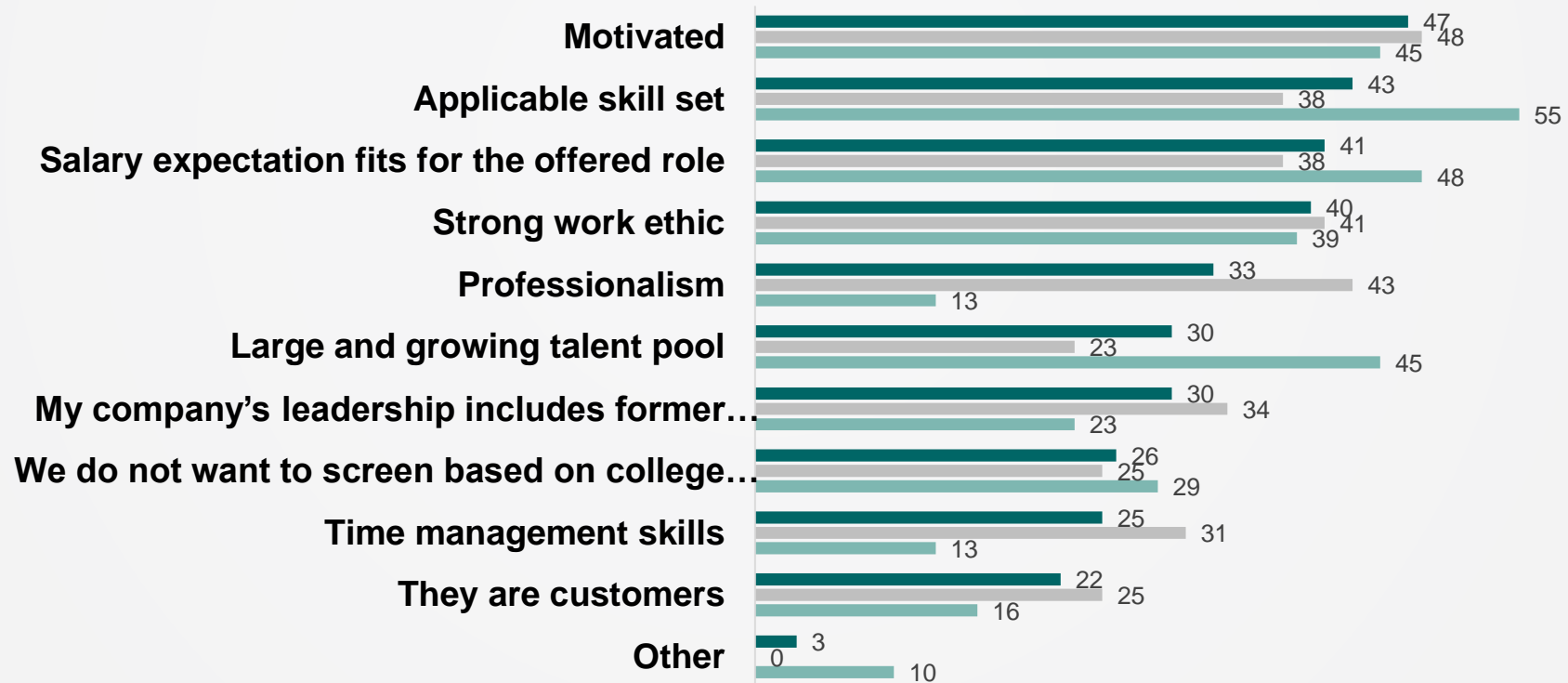


Q22: Within your organization, in what ways do you determine success of entry-level employees?

**New forms of talent assessments, such as behavioral algorithms, could provide a more efficient and objective way for employers to find candidates who are a good fit from a broader applicant pool during the interview process. Employers who do hire opportunity youth, hire them because they are motivated, and have an applicable skill set and strong work ethic.**



*Companies' reasons for hiring opportunity youth, showing percent selected among those who hire opportunity youth*



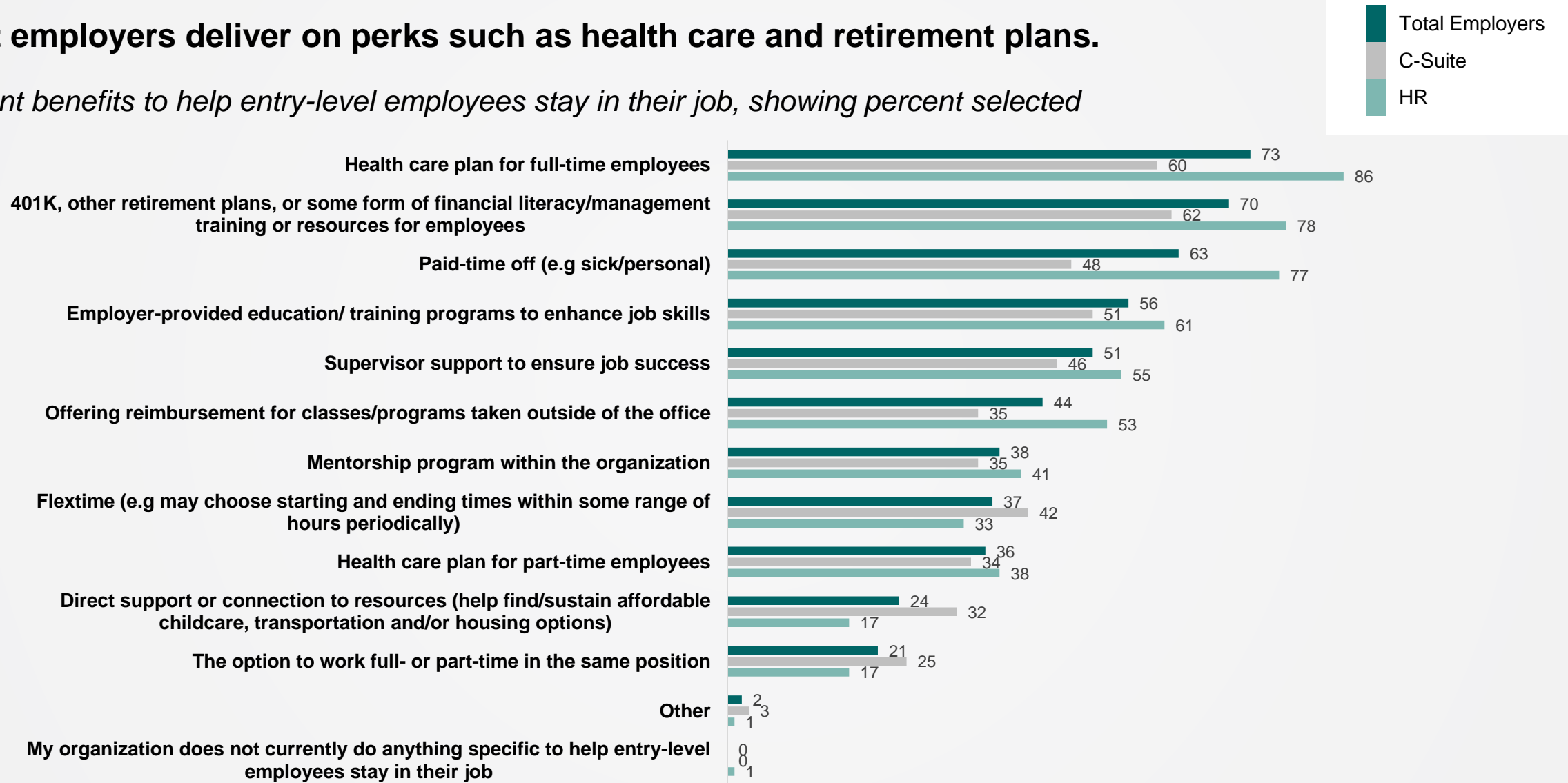
# Appropriate employer supports

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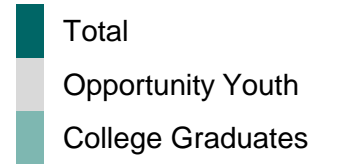


# Most employers deliver on perks such as health care and retirement plans.

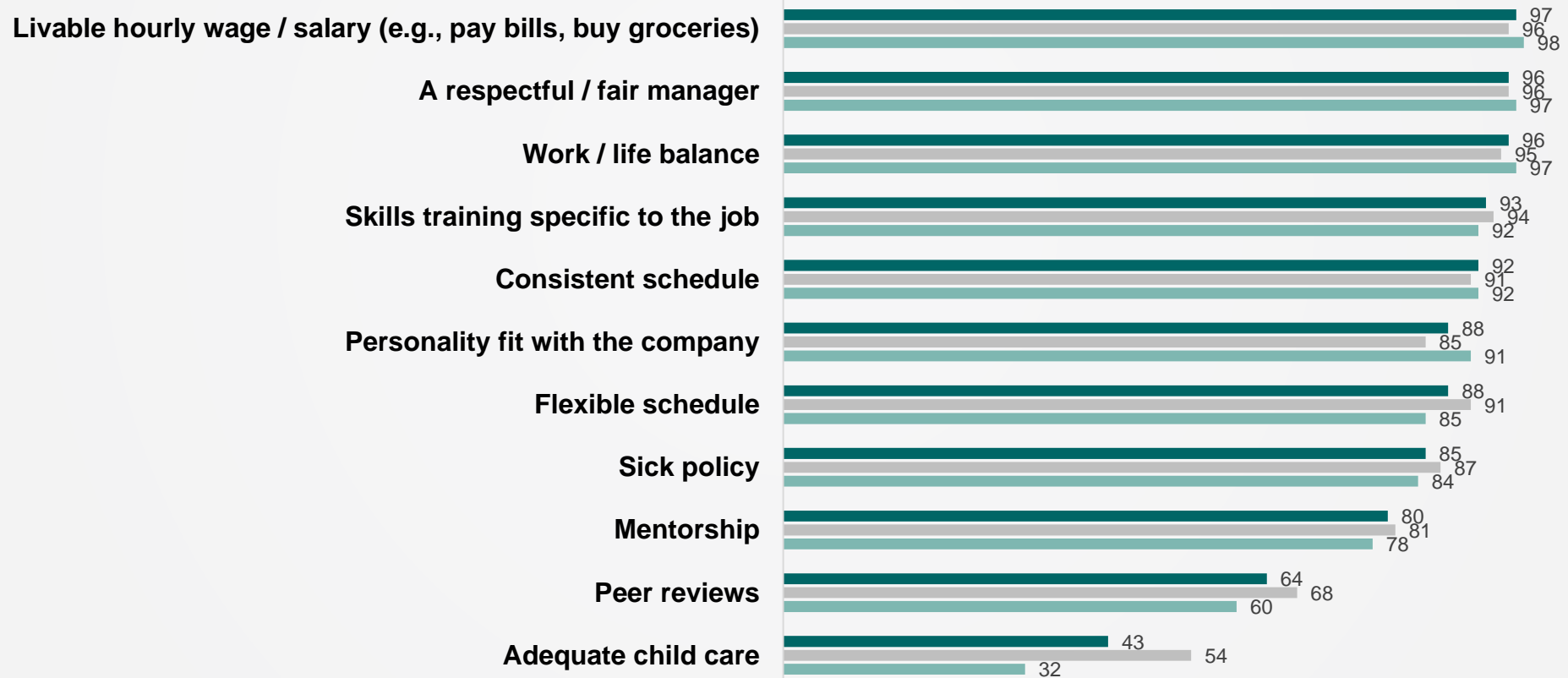
Current benefits to help entry-level employees stay in their job, showing percent selected



**However, to attract and retain opportunity youth, employers should consider offering benefits that meet their unique needs; more than half require adequate child care.**



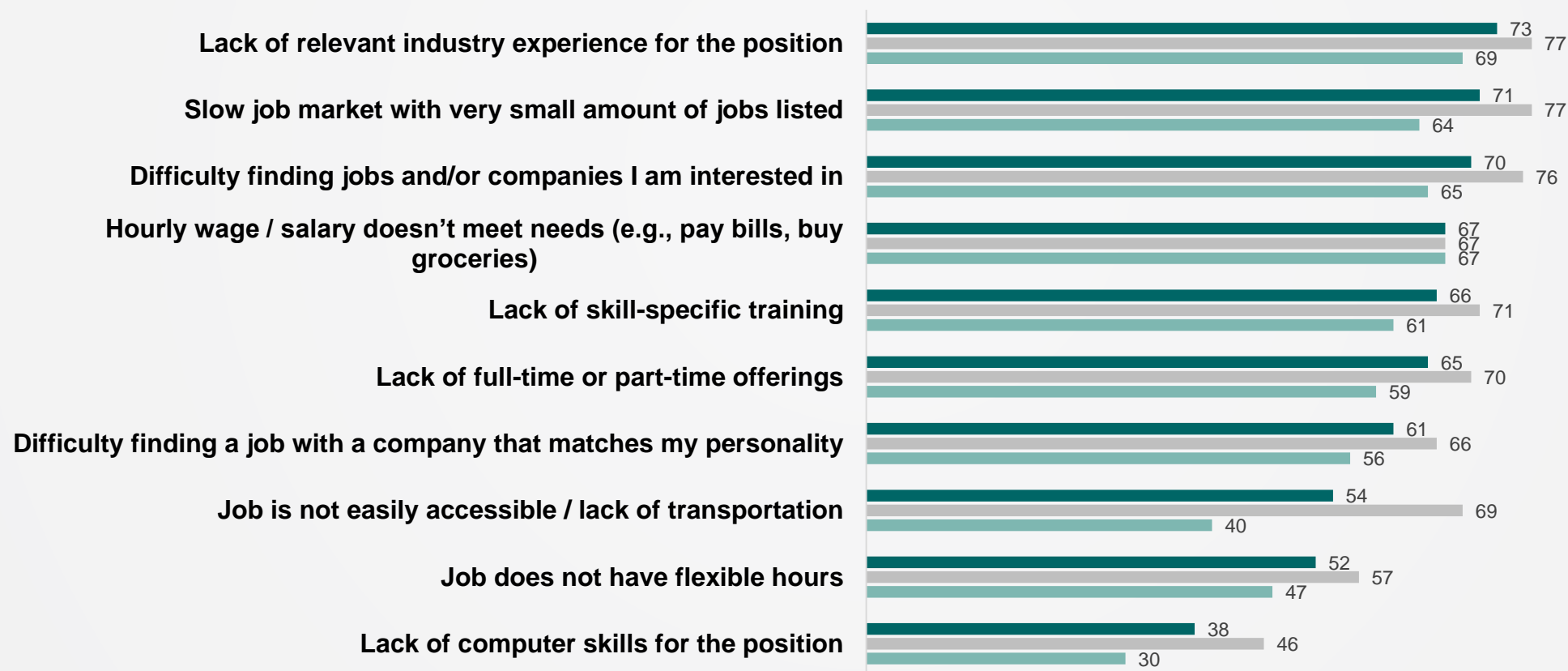
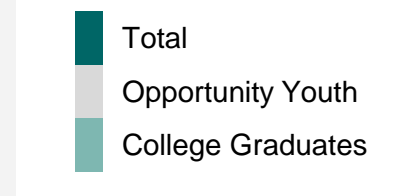
*Benefits important to staying in a job, showing percent who “strongly” and “somewhat” agree*



Q34: Below is a list of possible attributes of a job. Please indicate how important each of the following attributes are to staying in a job.

**Opportunity youth face other job market barriers, from industry experience to transportation. This may mean that employers aren't reaching opportunity youth with their open job opportunities and that they aren't marketing (and developing) their company culture in a way that is attractive to and inclusive of opportunity youth.**

*Challenges faced when finding a job, showing percent who "strongly" and "somewhat" agree*



Q33: Below is a list of potential challenges that one can face when trying to find a job. Please indicate to what extent you agree that each of the following has been a challenge for you, personally.

