

In Good Company

What NYC's Employers
Should Do to Expand
Access to Good Jobs

Center *for an* Urban Future

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In Good Company

CREATING A MORE EQUITABLE ECONOMY IN NEW YORK CITY WILL REQUIRE BOLD ACTION FROM

Mayor Adams and the City Council, including major new investment in city programs that help expand access to the good jobs that are growing in the economy. But the private sector will also need to step up. In particular, the city's leading employers should develop and scale up programs of their own that create far more opportunities for New Yorkers of color to gain access to the well-paying jobs that they are creating.

A growing number of New York-based employers are already taking promising steps to diversify their workforces, through changes to recruitment, hiring, and retention practices and investments in internships, apprenticeships, mentoring, and on-the-job training programs. But much more is needed. Indeed, even before the COVID-19 pandemic hit, New York City's economy reflected stark inequalities. New Yorkers of color are alarmingly underrepresented in most of the city's well-paying industries: For instance, Black New Yorkers make up 22 percent of the city's workforce, but hold just 7 percent of the jobs in the securities industries, 7 percent of the positions in advertising, 8 percent in publishing and 9 percent in the tech sector.¹ In nearly 100 industries, white New Yorkers out-earn Black New Yorkers by at least \$10,000.² Similar disparities persist in many industries and occupations for Hispanic New Yorkers, Asian New Yorkers, and women.

The factors that produce these disparities are complex and pervasive, likely including persistent gaps in educational attainment by race and income—magnified by the effects of systemic racism, gender bias, and ableism. But as this report shows, there are many areas where employers can and should do more to help address these inequities, close opportunity gaps, and enable far more New Yorkers from lower-income households and neighborhoods to obtain and succeed in well-paying jobs.

Today, too few companies have made progress moving beyond broader environmental, social, and governance goals and corporate statements of support to focus squarely on ways to expand access to competitive employment. Demand for paid internships in growing industries from tech and healthcare to finance and the creative economy far exceeds supply, limiting the number of New Yorkers who are able to benefit from work-based learning experiences. Likewise, New York City has seen slow growth in apprenticeship programs compared to many other cities and states, with very few new programs located in the industries that are driving the city's economic recovery. And despite growing concerns among employers about finding talent amid a glut of unfilled job openings, relatively few employers have committed to intensive on-the-job training and upskilling programs.

Fortunately, there is no shortage of workable strategies that employers can adopt to help cultivate, hire, and retain a workforce that better reflects the diversity of New York City. This study, supported by the Gantcher Family Foundation, provides a snapshot of six innovative employer-led initiatives to expand access to good jobs—initiatives with enormous potential for replication among other companies here in New York. The report highlights what's working about these approaches, details how each company got there, and offers specific recommendations for how employers and government leaders can work together to expand access to well-paying jobs.

This report highlights the following six strategies:

CENTERBRIDGE, a private investment management firm with more than 250 employees, is focusing its efforts to help diversify the investment industry by partnering with the City University of New York (CUNY). The firm's CUNY Investment Industry Fellowship provides CUNY undergraduate students with monthly workshops, professional networking experiences, and mentorship opportunities—all designed to help students land highly competitive paid internships in the field. Centerbridge has since expanded the effort by recruiting other larger firms to participate, with the goal of building a pipeline from CUNY into well-paying jobs in the financial sector.

ACCENTURE, the global professional services and consulting firm, is proving that the time-tested apprenticeship model can work far beyond the building trades. The company's apprenticeship program enables individuals outside traditional recruiting pipelines—including candidates without four-year college degrees—to develop skills while earning stable pay and ultimately to land well-paying jobs in fields such as IT, business analytics, and cybersecurity.

HORIZON MEDIA, a leading media services agency, is taking a comprehensive approach to cultivating its future workforce, combining career exploration in high schools, paid internships that lead to jobs, and an in-depth fellowship program focused on preparing people for careers in search engine optimization, programmatic media advertising, and paid search. In part as a result of these efforts, 37 percent of Horizon Media's employees identify as a person of color, compared to an industry average of just 25 percent.

LINKEDIN, the world's largest professional networking site, has focused on bolstering retention and advancement by building a more inclusive corporate culture. Like a growing number of companies across the country, LinkedIn is doing this in part by helping staff members establish Employee Resource Groups (ERGs), which provide staff from diverse backgrounds with inclusive community spaces to share resources. Crucially, LinkedIn has gone further and become one of a small handful of employers to provide significant compensation packages to ERG leaders, including a \$10,000 annual award.

Bronx-based **MONTEFIORE MEDICAL CENTER** is taking a local approach to expanding access to health-care jobs for some of the borough's most vulnerable young adults. Through a partnership with Phipps Neighborhoods, a nonprofit social services organization, Montefiore offers out of work, out of school young adults ages 18 to 24 the opportunity to train for jobs in healthcare and earn industry-recognized credentials at Hostos Community College. The program has led to more than 200 hires at Montefiore and partner health-care organizations, and some graduates have gone on to earn advanced postsecondary degrees that open the door to further employment opportunities.

Lastly, a growing number of employers in New York and around the world are experimenting with a shift toward skills-based hiring practices. These firms, including Google, IBM, Penguin Random House, Starbucks, and the healthcare start-up Ovia Health, are eliminating a bachelor's degree requirement for a range of entry- and mid-level positions, and shifting toward skills-based frameworks for assessing the ability of future employees to succeed. Given the enormous disparities in bachelor's degree attainment in New York City—just 20 percent of Hispanic New Yorkers, 27 percent of Black New Yorkers, and 45 percent of Asian New Yorkers hold a bachelor's degree, compared to 64 percent of white New Yorkers—this shift to skills-based hiring can help open up thousands of well-paying jobs to New Yorkers who would otherwise be excluded for lack of a specific credential.³

The remainder of this report features in-depth profiles of these six employer-led initiatives to expand access to good jobs, with the goal of demonstrating to other New York-based companies that there is no shortage of attainable options for diversifying their workforces—and that emulating one of these employer-initiated models might be a good place to start. These are, of course, just a few of the many examples of companies taking concrete steps to train, hire, retain, and promote New Yorkers from underrepresented communities. For example, in 2020 more than 25 leading company CEOs pledged to hire 100,000 low-income New Yorkers, especially those from Black, Latinx, and Asian communities, in jobs that pay family-sustaining wages by 2030. These companies, operating as the New York Jobs CEO Council, are making significant investments through a nonprofit organization designed to help prepare New Yorkers for well-paying

jobs at their firms in areas such as cybersecurity, project management, UX design, and data analytics.

While this report focuses on the steps that New York's employers will need to take, city government also has a vital role to play in encouraging companies to make these structural shifts, making it as easy as possible for them to do so, assessing their progress, and partnering with them when it makes sense to achieve greater scale and impact.

This report offers three priority recommendations for employers and city government leaders:

New York City's business leaders should launch and scale up policies and initiatives that expand access to well-paying jobs in their own companies.

New York City-based companies give back to the city and their communities in numerous ways, including philanthropic grants, fundraising, and volunteering. But to help create a more inclusive and equitable economy in New York City, more businesses should implement evidence-based practices that help expand access to good jobs for residents currently underrepresented in their own workforces. These steps may include helping to co-develop a talent pipeline into their industry through career exploration, work-based learning opportunities, paid internships, and apprenticeships; establishing partnerships with CUNY, public middle and high schools, and nonprofit workforce development organizations; launching employee resource groups and rewarding staff financially for the vital work of facilitating them; expanding internal mentoring programs and measuring opportunities for promotion and advancement; and shifting toward skills-based hiring practices that can eliminate degree requirements for a growing number of career paths.

Mayor Adams should encourage and challenge businesses to do more to ensure that their workforces reflect the diversity of the city.

Mayor Adams should leverage the goodwill and political capital he's earned from the city's business community to encourage and challenge employers to do more to expand access to good jobs. This can be accomplished both by encouraging business leaders to adopt a range of best practices and promising models and aggressively promoting those that succeed,

as well as by tracking and publicizing the share of middle- and high-wage jobs held by New Yorkers of color across industries and calling business leaders to account if those key metrics do not improve.

City leaders should make it easier for businesses both large and small to connect with local talent development pipelines.

New York City policymakers should challenge employers to do more when it comes to training, hiring, and retaining diverse talent. But that leadership should be coupled with new city efforts that make it far easier for businesses to partner with city agencies, CUNY, middle and high schools, and nonprofit workforce development organizations—and to make these programs work better for small businesses. For instance, policymakers could focus on making it easier for employers to offer paid internships by matching their openings with talented candidates from public high schools and colleges and providing wage subsidies to help smaller employers take on paid interns from less traditional backgrounds. City officials also have a role to play in growing support for apprenticeship programs, expanding technical assistance programs designed to help companies adopt new hiring practices, connecting far more employers with local schools to develop career exploration opportunities, and pooling interest among smaller employers to help them participate in existing programs like the Tech Talent Pipeline.

The Center for an Urban Future has previously published more than a dozen reports urging city and state government leaders to launch and expand programs that will help expand economic mobility—from boosting community college completion rates and scaling up effective workforce training programs to building out new apprenticeship pathways and supporting bridge models that provide onramps to effective career training programs. Those public investments are needed more than ever. But to achieve a far more inclusive economy, New York's employers will likewise have to implement significant changes to tackle the underrepresentation of New Yorkers of color in their own workforces and to ensure that more New Yorkers from lower-income families and communities can access and succeed in well-paying jobs. The remainder of this report offers six practical strategies for doing so.

Company Spotlights

What NYC-Based
Employers Are Doing
to Expand Access
to Good Jobs

Investing in Talent

Centerbridge's CUNY Investment Industry Fellowship

THE CITY UNIVERSITY OF NEW YORK (CUNY) has long been an engine of economic mobility in New York City, propelling students from diverse socioeconomic backgrounds into the middle class.² But despite the CUNY system's overall success in expanding economic opportunity, comparatively few students have been able to access high-paying careers in the city's financial services sector, which has historically prioritized recruitment from elite institutions and through personal connections in the industry. Consequently, just 27 percent of CUNY students who study finance go into the finance industry.

Centerbridge Partners, an investment management firm with more than 250 employees, is working with CUNY to change this through multiple initiatives. One example is the CUNY Investment Industry Fellowship. In 2018, the Centerbridge Foundation—in partnership with the CUNY Career Success Initiative—launched the fellowship program, which works to expand opportunities for CUNY graduates to join the industry by providing current students with early exposure to careers in finance through one-on-one mentorship, workshops, and networking opportunities over the course of nine months.

“There are really talented people in our own backyard,” says Johanna Meadows, managing director and head of the Centerbridge Foundation. “But CUNY is not

typically a place where folks in our industry recruit from—and we want to change that.”

The CUNY Investment Industry Fellowship is open to rising sophomores and juniors at any CUNY campus who are interested in pursuing entry-level roles in the investment industry. Since its launch in 2018, the nine-month program has worked with 85 fellows, taking on roughly 25 per cohort. Each fellow is matched with a mentor from Centerbridge and receives a stipend for their time commitment. Throughout the program, mentors provide fellows with personalized support and guidance in launching their career and growing their network in the investment industry. Fellows also attend monthly workshops led by Centerbridge professionals and other industry experts, where they learn the ins and outs of private equity deals, discover different career paths within investment firms, and receive primers on financial analysis and modeling. After the nine months, participating students are well-positioned to access the all-important summer internship, a crucial step in building a career in finance. In fact, the fellowship has proved strikingly successful in helping CUNY students take that next step.

“One hundred percent of participants have obtained an internship with Centerbridge or with other

firms within the finance sector,” says Lauren Andersen, university associate provost for careers & industry partnerships at CUNY. “This is a talent-driven partnership. They want CUNY students to work for them because they see how talented they are.”

For students from backgrounds that are historically underrepresented in finance and investing, the fellowship provides a playbook for building a career in the industry. “It can be difficult to envision this as a path without having someone in your life with a job in the industry or without being at a school from which the industry typically recruits,” says Meadows. The fellowship helps students build a path into the industry and educates them on what it will take to get there. “Being introduced earlier in one’s college career to the topics we provide through the fellowship is important,” she says. “One has to start long before graduation day.”

Centerbridge’s fellowship program is an important step in tapping into a new source of talent, diversifying the industry, and creating new onramps into this high-paying sector. But to help this model grow, there is both a need and an opportunity for other firms to follow suit.

“Working with 25 fellows in each cohort works for us,” says Meadows. “What’s next is for other firms to

really recognize CUNY as a key source of talent for this industry and to help build the capacity at CUNY to grow this approach.”

Recognizing the importance of building capacity at CUNY and bringing in more employers, the Centerbridge Foundation has expanded its partnership with CUNY over the past year and is now partnering with other industry firms—including Goldman Sachs and Bloomberg LP—to support CUNY Futures in Finance, a new partnership designed to help ensure that CUNY students can secure and succeed in in-demand careers within the financial industry. Part of that effort is scaling up employer-driven pilots like the Investment Industry Fellowship.

“We have a quarter of a million matriculated students at CUNY. As many of them as we could get involved in an opportunity like this, the better,” says Andersen. The CUNY Investment Industry Fellowship provides New York City-based companies across industries with a valuable model for how they can make CUNY a key source of diverse talent by providing early access, mentorship, and career education in sectors like finance that offer a wealth of well-paying jobs but have proven historically difficult to penetrate.

Apprenticeship at Accenture: Scaling the Learn-and-Earn Model Beyond the Building Trades

APPRENTICESHIPS ARE AMONG THE MOST powerful tools for expanding economic opportunity, allowing individuals with limited traditional education to get on-the-job training that leads to a well-paying career. But over 90 percent of the registered apprenticeship programs operating in New York City today are in the building trades, where they've been well established for decades.⁵ Comparatively few opportunities exist in well-paying fields like technology, business services, and the creative industries, even as those industries drive the city's economic growth.

One company seeking to shift that dynamic is the professional services firm Accenture. The company's apprenticeship program enables people who might be outside traditional recruiting pipelines to develop skills while earning wages in fields like IT, cybersecurity, and business analytics, while also enabling Accenture to expand and diversify its talent acquisition efforts.

"We were very narrowly-focused, especially at the entry level," says Pallavi Verma, a senior managing director and North America apprenticeship program executive sponsor at Accenture. "We were hiring from the best four-year colleges in the country, but we had a recognition that we weren't necessarily looking at all pools of talent that we could be."

Accenture has launched a number of company-wide programs in recent years focused on hiring and retaining historically untapped talent in New York City

and other hubs. To help drive progress, the company has also set clear goals around increasing the representation of women and people of color at all levels.

Perhaps Accenture's most ambitious initiative is also the one with the greatest potential for replication by other New York City employers: a major scaling up of professional apprenticeships.

Accenture's first apprenticeship cohort, launched in 2016, included five apprentices in the corporate IT department of its Chicago office. Since then, the program has grown to include more than 1,200 total apprentices across 35 North American cities. The program expanded to New York City in 2019 and has since brought on nearly 100 apprentices in roles ranging from cybersecurity and data analytics to HR and marketing, helping to expand career opportunities for young adults as well as career changers seeking new skills. As part of Accenture's effort to scale professional apprenticeships across the company, it has set a goal of filling 20 percent of its entry-level positions in North America from its apprenticeship program in fiscal year 2022.

Sixty percent of the company's apprentices are people of color and nearly half are women. Participants generally enter the program without four-year college degrees; they complete twelve months of structured and on-the-job training in a variety of departments, where they work alongside a supervisor and develop

the skills to successfully perform an entry-level role. Apprentices generally work full time, receive a salaried annual wage with comprehensive benefits, and have guided support through Accenture's portfolio of learning and training materials. After the program concludes, apprentices who successfully complete the program have opportunities to continue into careers at Accenture similar to those available to four-year college graduates.

"We've hired an overwhelming majority of individuals who completed the program into full-time roles," says Beca Driscoll, Accenture's North America apprenticeship program director.

The initiative has also benefited the apprentices themselves, many of whom come from underresourced communities. YUPRO, the job placement subsidiary of the nonprofit Year Up, says 86 percent of its clients who completed Accenture apprenticeships were offered full-time positions, a ratio the organization's executive director Michelle Sims called "well above the industry standard of conversion from a contract to a full-time job."

Another partner, City Colleges Chicago (CCC), said 75 students have been hired into full-time roles after completing Accenture's program. That success has encouraged the community college system to embrace the apprenticeship model more broadly, and it has now placed over 1,000 students at a variety of companies through the Chicago Apprentice Network, which includes over 75 employers.

"The apprenticeship program has the potential to close the wage gap between high school and college graduates," says Veronica Resa, a CCC spokesperson.

For apprenticeship programs to succeed, Accenture's leadership says, placements should address a real organizational need, and become "part of the operating fabric of the company." Commitment from local leadership is important to adequately support and manage participants, as is a cohort and team structure that

allows for shadowing and professional development. Effective partners have also played an important role; they source talent with applicable skills, provide training when required, and have trusted relationships with communities that might not otherwise seek out opportunities with Accenture.

"Getting that trusted access to new pools of talent, and individuals that we know are coming to us with that foundational skill set to give them a starting point, can help with success," says Driscoll. "We saw it work in Chicago, and from there we have continued to see it multiply as the program has expanded to New York and other cities. Once they work with apprentices, most of our teams come back saying, 'Great, how can I hire more?'"

Accenture is working with partners like the New York Jobs CEO Council and OneTen to create a network initiative in New York similar to the Chicago model. Apprenticeship programs can increase access for underrepresented New Yorkers to well-paying jobs, experts say, if both government and employers are willing to view work-based learning as a foundational part of the educational ecosystem.

"Companies have a self interest, but it's also shaking up the system and reimagining what this whole thing could look like," says Barbara Chang, executive director of CareerWise New York, a youth apprenticeship organization based in the Bronx, which places some high school apprentices with Accenture for a multiyear apprenticeship before they graduate.

"It's scalable because we're using systems that exist, as opposed to creating another ring of providers," says Chang. "Between high school and college apprentices, we can get traction with employers, [affect] how they recruit. They become part of the solution and training, instead of just standing back and waiting for workers to come out of school."

Unlocking Creative Careers

Expanding Access to Advertising Jobs at Horizon Media

IN THE DECADE LEADING UP TO THE PANDEMIC, New York City’s advertising industry added more than 20,000 jobs and recorded an average annual salary over \$130,000, making it one of the city’s most important sources of well-paying jobs. In recent months, employment in the industry has rebounded to pre-pandemic levels and is poised for significant future growth.⁶

But today the industry does not reflect the city’s diversity: Black and Hispanic New Yorkers make up 43 percent of the city’s overall workforce, yet account for just 19 percent of the advertising industry.⁷

To help address these disparities, Horizon Media, one of the city’s largest independent advertising and media services companies, with 2,500 employees and over \$9 billion in media assets under management, has spearheaded new initiatives to expand career opportunities for individuals from underrepresented backgrounds. This takes the form of high school career exploration outreach, paid internships, a fellowship program, and a partnership with the nonprofit organization COOP, which helps prepare recent CUNY graduates for employment in the industry.

Outreach to local high schools is a core component of the company’s approach. Horizon’s outreach has been led by the company’s diversity, equity, and inclusion (DEI) team, in collaboration with firm executives,

employee resource groups, and allies. They recently produced a “Shadow Day” at Manhattan Early College School for Advertisement (MECA), which provided students with an inside look at careers in media and advertising and helps prepare students to navigate the industry.

“The biggest initial hurdle for us is education on the industry—helping people understand the opportunities,” says Verónica Grech, DEI and belonging business partner at Horizon Media. “Account management, consumer insights, business strategy, and the activation of ads in the media landscape—there’s a lot to this industry. This may not be something that people initially thought of as a career, but it could be.”

Internships are not uncommon in media services firms, but Horizon is unique in prioritizing the conversion of interns into full-time employees. Their internship program, which hosts roughly 40 interns between their New York and LA offices, converted over 70 percent of college seniors who interned in 2019 and 2020 to full-time roles upon graduation. Among the 2021 internship class, fully 61 percent of interns identify as people of color.

Complementing the larger internship program, Horizon has initiated fellowship programs aimed at equipping promising candidates with the hands-on experience needed to move directly into career-track

jobs, with a focus on search engine optimization, programmatic media advertising, and paid search. The first cohort started at the end of 2019 with six participants, all of whom were college seniors and identified as people of color. Fully 100 percent of fellows were converted to full-time employees after completion of the program.

Alongside their own programs, Horizon has partnered with digital skills-building organization COOP since 2016. COOP prepares underemployed, first-generation CUNY graduates for careers in the world of digital media advertising through 200 hours of free training and connections to peer networks in the industry. Over the past five years, Horizon has offered open-house information sessions and skills-based workshops to COOP participants while helping COOP build out its data analytics training, says Jennifer Matos, senior partnerships manager at COOP.

“Horizon has been fantastic in helping us with programmatic workshops and evolving our curriculum,” says Matos. “They’ve also come back and sat in on our teaching and helped us sort out through what changes we should make in teaching hands-on skills to help students apply what they’ve learned to actual business problems.”

At Horizon and across the industry, leaders have realized that diversifying their workforce is not just a matter of equity and inclusion—it’s also crucial for business success in an increasing globalized media environment.

“In the advertising, marketing, and media business, our clients’ messages are shared globally with people of all backgrounds,” says Horizon Media’s Grech. “Therefore, it is imperative to have diversity of thought, experience, and background in every decision. This ensures that the messages being shared are authentic to the audience, and that we are inclusive in our clients’ campaigns.”

Black and Hispanic New Yorkers make up **43 percent** of NYC’s workforce, but only **19 percent** of the advertising industry.

Though Horizon already has greater diversity than the industry as a whole in 2021, with 37 percent of employees identifying as a person of color compared to an industry-wide average of 25 percent, the company has recognized that continuing to bring in diverse talent requires a multipronged approach involving community outreach, career exploration, and job access.

Horizon’s multifaceted approach to expanding access to careers in advertising and media services—ranging from early exposure at the high-school level through partnerships with tech training organizations addressing underemployment among recent graduates—offers a model for other companies in the industry seeking to diversify their workforces and address equity and inclusion while also strengthening their business in a global media marketplace.

“Being a leader and cultural advocate for a modern marketing agency is about driving better performance, and we all know that organizations with greater diversity are more resilient and innovative,” says Donald Williams, executive vice president and chief digital officer at Horizon. “If we’re not investing in our own culture and inclusivity, we’re not going to be a viable organization.”

Rewarding Inclusion

Paying Employee Resource Group Leads at LinkedIn

FOR NEW YORK CITY COMPANIES TO SUCCEED in building more diverse and inclusive workforces over the long term, their efforts will need to extend well beyond changes to recruitment and hiring practices. It will be equally important to focus on policies and programs that can help retain workers from underrepresented backgrounds, develop company cultures that not only recognize but value diversity, and help workers advance in their careers.

The professional networking site LinkedIn is taking important steps toward achieving these goals through significant investments in Employee Resource Groups (ERGs).

“Studies show that when you have talent coming in the door and they don’t see anyone like them, that contributes to their exit from the company,” says Meredith Morales, LinkedIn’s senior global program manager for diversity, inclusion, and belonging. This can make it challenging to retain Black and Latino talent, who make up 4.7 percent and 6.3 percent of LinkedIn’s overall U.S. workforce, respectively.⁸

LinkedIn’s investments in ERGs are an effort to address this challenge directly. ERGs work to address issues of inclusion and belonging by connecting employees from different departments and offices around a shared identity, helping to mitigate those early exits that could easily cost tens of thousands of

dollars in lost productivity.⁹ The company’s ten ERGs provide community members and allies of diverse communities, such as Black employees, people with disabilities, and veterans, with safe community spaces to connect, address workplace challenges, amplify each other’s contributions, and gather and share resources.

“ERGs are a place of community for people who may not see themselves represented in an organization, so they have folks who they can relate to who understand where they’re coming from,” says Y-Vonne Hutchinson, CEO of ReadySet, a diversity, equity, and inclusion consultancy. But while ERGs may once have been chiefly informal spaces for employees from underrepresented groups to support one another, the model has grown into a crucial HR strategy for diversifying the workforce, improving retention, and expanding opportunities for internal advancement.

For these groups to be sustainable over time, companies should go beyond encouraging the formation of ERGs to ensure that staff leads are compensated for their work. The ad-hoc origins of many ERGs means that their leaders often have shouldered the responsibility of fostering community, coordinating meetings, and supporting hundreds or even thousands of coworkers on an unpaid, volunteer basis. This is beginning to change, and LinkedIn is one company leading the way.



It sends a strong positive message when folks are compensated for doing that culture work because it is labor. It is real work, and it does create a benefit to an organization.”

Y-VONNE HUTCHINSON, CEO, READYSET

Recognizing the outsize benefit of ERGs, LinkedIn has taken the unusual step of providing significant compensation packages to ERG leaders. “We are at a point in our company history where our ERGs have reached a level of operational excellence, cultural transformation, and powerful retention impact,” says Morales of LinkedIn. “We knew it was time to design our systems of recognition and appreciation to more fully demonstrate the value we see in the contributions of our ERG leaders.”

LinkedIn now provides each of two ERG co-chairs (twenty group leaders in total) with \$10,000 annually on top of their base salary and benefits. At the end of their two-year term, co-chairs are eligible for an additional \$10,000 bonus. LinkedIn’s substantial compensation for global ERG co-chairs—who collectively oversee 500 ERG leaders and bring together more than 6,000 ERG members and allies worldwide—signals the value these groups provide not only to the company culture, but also to the bottom line. “ERGs perform a lot of core functions in organizations that might otherwise be expensive,” says Hutchinson.

When ERGs are not supported, the important work that group leaders undertake to advocate and foster community can expose them to pushback and even retaliation. “What we often see in the workplace is this kind of tightrope, where employees, quite often

employees of color, are expected to do the diversity work but at the same time [are] penalized for doing it,” says Hutchinson. Paying ERG leaders sends a clear message of support. “It sends a strong positive message when folks are compensated for doing that culture work because it is labor. It is real work, and it does create a benefit to an organization. And if there’s not an explicit value placed on that work, it’s so easy for it to be devalued.”

By paying ERG co-chairs and making leaders’ work visible, LinkedIn is expanding opportunities for advancement within the company. “When our ERG leaders are up for promotions, these qualities and accomplishments can be properly acknowledged,” says Morales. “We want the results to be, ‘I stayed longer, I was promoted, and this program helped.’”

Careers in Care

Preparing At-Risk Young Adults for Healthcare Jobs at Montefiore Medical Center

BRONX-BASED MONTEFIORE MEDICAL CENTER

and the nonprofit anti-poverty organization Phipps Neighborhoods are collaborating on a program to prepare out-of-school, out-of-work young adults in the Bronx for employment in the growing healthcare sector. The resulting initiative, Career Network: Healthcare (CNH), is helping to meet the needs of employers for trained healthcare workers, while addressing the skyrocketing rate of unemployment among young adults in the Bronx.

The program connects young adults between the ages of 18 and 24 who are out of school and out of work with on-the-job healthcare training, classes at Hostos Community College, and wages during the training period. Overall, the program has led to almost 200 hires at Montefiore and other healthcare partners, with a program completion rate of 76 percent. CNH graduates can pursue industry-recognized certifications and some have even gone on to pursue nursing degrees and other advanced healthcare credentials.

“We have a particular population that has high unemployment and underemployment rates, and Montefiore has all these jobs,” says Dana Politis, director of community workforce programs at Montefiore, describing the program’s beginnings in 2014. “Is there a way we can bring the two together to see if we can solve this problem?”

The program includes several key ingredients that experts say have contributed to its success, including a strong employer partner in Montefiore, a career exploration component that provides participants with an inside look at job opportunities in a major healthcare center, career-focused education in a classroom setting, six-week externships supervised by Montefiore staff, and opportunities to earn industry-recognized credentials offered by Hostos Community College. These program elements are strengthened by Phipps Neighborhoods’ wraparound case management supports, which help address barriers to participation and future employment.

Daniel Agosto, workforce development program director at Phipps Neighborhoods, says that the partnership with Hostos is designed to focus on career readiness and respond to labor market demand.

“We wanted to be intentional about what the best certifications are, what the job market is asking for in terms of those certifications, and narrow it down to ones that we felt were going to provide entry into a career,” Agosto says, citing roles such as patient care technician, certified medical assistant, and medical administrative assistant as examples.

Politis of Montefiore says that the program offers significant potential for replication among other employers and industries, but emphasizes that doing so will require

Overall, the program has led to almost **200 hires** at Montefiore and other healthcare partners, with a program completion rate of **76 percent**.

more employers to bolster their in-house capacity to collaborate on workforce development initiatives.

“As a result of our work with Phipps and other workforce organizations, Montefiore ended up creating a workforce department within HR,” says Politis. “Having a dedicated team to take on a lot of this work has been really important.”

Politis also says that government can play a role in facilitating relationships among employers, training organizations, and educational institutions.

“There is a pretty heavy lift in terms of what goes on for all three partners,” Politis says. “The key is to allow multiple programs to work together, to engage employers, build networks, and make it easier to see, ‘Here are your options, let’s see what we can do.’”

The pandemic’s disproportionate impact on New York’s young adults has almost certainly made tackling this challenge even more urgent. In 2020, 27 percent of 18- to 24-year-old New Yorkers were out of school and out of work—a total of more than 180,000 young adults, the largest population in more than a decade. In the Bronx, the share of out of school and out of work young adults reached 37 percent, the highest of any borough.

At the same time, the opportunity to prepare young adults for careers in healthcare has also expanded. The number of healthcare jobs in New York City has exceeded its prepandemic level, with more than 600,000 jobs across the five boroughs today. In the decade leading up to the pandemic, employment in the sector grew 45 percent and that growth is projected to continue through the coming decade.¹⁰

Hiring for Skills, Not Degrees

Rethinking Degree Requirements to Open Good Jobs to Skilled Workers from Underrepresented Backgrounds

IN NEW YORK AND OTHER MAJOR CITIES, NEW jobs that pay middle- or high-income wages are increasingly filled by jobseekers with college degrees. This trend accelerated in recent years, as tech-related occupations, creative sector jobs, and healthcare professions have grown, while traditional strongholds of accessible, middle-income jobs like manufacturing have continued a long decline.

But in recent years, a growing number of employers—including tech firms, publishing companies, healthcare start-ups, and banks—have been rethinking or eliminating degree requirements and embracing a skills-based approach to hiring, designed to increase access to well-paying career paths while improving business outcomes.

Skills based hiring is a practice in which employers restructure their applicant search, focusing on the skills necessary to fulfill a role's responsibilities and doing away with college degree requirements. This method has proven mutually beneficial for both applicants and companies: it increases opportunity for qualified but previously overlooked jobseekers, while offering businesses greater access to diverse candidates with the skills needed to succeed.

In New York, where striking divides in educational attainment limit access to well-paying jobs, a shift by more employers toward skills-based hiring practices could help close racial and economic divides in the

pandemic recovery. Just 20 percent of Hispanic New Yorkers, 27 percent of Black New Yorkers, and 45 percent of Asian New Yorkers hold a bachelor's degree, compared to 64 percent of white New Yorkers.¹¹ By eliminating degree requirements for many well-paying jobs, employers can expand access to opportunity for thousands of talented New Yorkers without postsecondary credentials—including a disproportionate share of New Yorkers of color—whose lives and jobs were upended by the pandemic.

According to Opportunity@Work, an organization dedicated to restructuring the U.S. labor market away from college degree requirements, more than 70 million individuals nationwide are skilled through alternative routes (STARs), who have valuable skills picked up through community college courses, workforce training programs, bootcamps, certificate programs, military service, and on-the-job learning. In New York City alone, more than 670,000 working-age residents have some college but no degree.¹²

Several major employers have recognized the racial inequity associated with degree requirements and implemented skills-based hiring as a means to increase diversity and improve hiring quality.

In 2017, IBM made headlines by eliminating college degree requirements in response to a global shortage of tech workers. At the time, IBM's vice president of talent Joanna Daly said "about 15



In New York City alone, more than **670,000** working-age residents have some college but no degree.”

percent of the people we hire in the U.S. don't have four-year degrees.”¹³ Today, 50 percent of IBM's jobs are open to all applicants with the right skillset, regardless of college degree status. Due to the constantly evolving nature of tech skills, companies like IBM have focused on training and “upskilling” their own workforce, reducing reliance on higher education.

Google has followed a similar model. Their career certificate program offers individuals a low-cost opportunity to gain tech skills and start on a path towards a high paying job at Google or other tech companies. These programs allow individuals to gain credentials at their own pace (3 to 6 months on average), while preparing participants for in-demand jobs like data analyst, project manager and UX designer, all with starting salaries higher than \$60,000 on average. Google also affords participants access to their talent network, where employers and applicants can connect.

Ovia Health, a software company in Boston, recently began hiring non-college educated applicants with software bootcamp training. Paris Wallace, Ovia Health's CEO, emphasized the benefit this provided to his company: “We were missing out on a lot of talent by having what we saw as an arbitrary requirement for a lot of positions. It's not about doing the right thing for us. It's about being a great company.” He also stressed how skills-based hiring allowed Ovia Health to get ahead of other firms: “It's a huge competitive advan-

tage versus those companies that only are hiring those Ivy League folks and have no idea the experience of the people that they serve every day.”¹⁴

While tech is naturally well suited for skills based hiring due to constant skill evolution and increasing workforce demands, it is not the sole driver of this new phenomenon. Penguin Random House, one of the largest publishing companies in the country, eliminated college degree requirements for job postings in 2016, with the exception of some specialized professions, such as attorneys and accountants. Paige McInerney, vice president of human resources, said that the logic for the move was derived from Penguin's existing talent: “I knew that there were people successfully running large segments of our business who didn't have a degree, so requiring someone to come in entry level and saying that they had to have a degree seemed unnecessary.”¹⁵

Through skills based hirings, employers across the country are demonstrating a way to significantly close the opportunity gap for non-college educated workers. This is particularly important as New York looks to build a lasting and equitable economic recovery. As New York's employers search for the talent they need to grow amid a challenging labor market, eliminating degree requirements in favor of skills-based assessments offers a useful place to start.

Conclusion

BUILDING A MORE INCLUSIVE AND EQUITABLE

economy in New York City will require bold action from Mayor Adams and the City Council, including major new investments in the education and career training programs that can help New Yorkers launch into well-paying careers. But New York City's private sector will have to rise to the challenge as well, and make new commitments to train and hire far more New Yorkers from diverse backgrounds.

No one program or initiative aimed at boosting the hiring, retention, advancement, and equitable treatment of New Yorkers of color can by itself overcome the many structural barriers to economic opportunity that persist, including implicit bias and systemic racism. But by committing leadership, attention, and resources to emulating the thoughtful ideas contained in this report—and innovating new approaches developed together with their own leaders and employees of color—New York City's leading companies can make a significant difference in expanding access to well-paying jobs and building a more equitable economy for the long term.

First, business leaders should launch and scale up policies and initiatives that expand access to well-paying jobs in their own companies. This might include career exploration, work-based learning opportunities, paid internships, and apprenticeships; establishing partnerships with CUNY, public middle and high schools, and nonprofit workforce development organizations; launching employee resource groups and rewarding staff financially for the vital work of facilitating them; expanding internal mentoring

programs and measuring opportunities for promotion and advancement; and shifting toward skills-based hiring practices that can eliminate degree requirements for a growing number of career paths.

To help spur these necessary changes and improvements, Mayor Adams should encourage and challenge businesses to do more to ensure that their workforces reflect the diversity of the city. The mayor should both encourage business leaders to adopt a range of best practices and promising models and aggressively promote those that succeed, as well as track and publicize the share of middle- and high-wage jobs held by New Yorkers of color across industries and hold business leaders accountable if those metrics fail to improve.

Finally, city leaders should make it easier for businesses both large and small to connect with local talent development pipelines. This should include new city efforts that make it far easier for businesses to partner with city agencies, CUNY, middle and high schools, and nonprofit workforce development organizations—and to provide the resources needed to help these programs work better for small businesses. City officials can also help expand the number of apprenticeship programs in fields beyond the building trades, establish technical assistance programs designed to help companies adopt new hiring practices, connect far more employers with local schools to develop career exploration opportunities, and pool interest among smaller employers to help them participate in existing programs like the Tech Talent Pipeline and Summer Youth Employment Program.

ENDNOTES

1. This refers to “Computer Systems Design,” the largest category of tech sector employment according to data from the New York State Labor Department.
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14. Kirk Carapezza, [“No College. No Problem. Some Employers Drop Degree Requirements To Diversify Staffs.”](#) NPR, April 2021.
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