

Report - May 2012

Now Hiring

While young adults without a college degree are among those who are having the hardest time finding decent paying jobs today, this report provides a ray of hope. It identifies more than two dozen occupations in New York City that are expected to have ample job openings in the years ahead which pay decent salaries and which are accessible to young adults with low levels of educational attainment.

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Even before the Great Recession began, an alarming number of young adults in New York City between the ages of 18 and 24 were neither in school nor working. The employment challenges for these New Yorkers have only magnified in recent years. There are now an estimated 172,000 of these “disconnected youth” in the five boroughs. Though the overall economy is again on the upswing, the city’s unemployment rate stands over 9 percent—and young adults with low levels of educational attainment and limited work experience are among those who are having the hardest time finding decent paying jobs.

Although many young adults in New York understandably wonder whether they will ever be able to access jobs that providea pathway to the middle class in an economy where more and more of the decent-paying jobs require a college degree, the outlook isn’t all bleak. Our research has identified 26,000 openings a year for much of the next decade in 26 occupations that older young adults could realistically fill. Seven of these are among the top 16 occupations “with the most expected hiring” in New York City, according to projections made by the New York State Department of Labor (NYSDOL).

These are not the lowest paying jobs or those with little chance for advancement. Twenty-two of the 26 occupations we identified, with an estimated combined total of nearly 15,000 openings annually, pay a median wage of at least $25,000. In contrast, an entry-level home health aide in New York City earns $17,360 on average. The other 11,000 entry-level openings are in four retail and hospitality sector occupations that offer faster promotions to managerial positions than most other industries and, perhaps most important, provide crucial work experience and training to young people who have been, at best, sporadically employed.

Many of these employment opportunities will result from natural job turnover. For instance, NYSDOL projects that job turnover will result in thousands of openings a year in entry level occupations such as office clerk. Demographic and social changes will create thousands more. The number of New Yorkers aged 65 and over is expected to grow 35 percent by 2030,4 leading to employment growth in sectors such as healthcare, transportation, and office and administrative support. Across three healthcare occupations—pharmacy technicians, medical assistants and certified nursing assistants—there are projected to be 970 job openings a year. Similarly, there could be as many as 600 job openings each year for paratransit drivers, who operate Access-a-Ride and other vehicles to transport seniors and the disabled. With high unemployment and wages at a plateau, more people are struggling to make ends meet, pay their bills and stay debt free—and that is prompting bill collection companies to hire workers. Growth in the number of tourists visiting New York will likely mean employment gains at stores, restaurants, hotels and attractions that cater to these visitors.

These trends present a unique chance for helping New York's young adults gain a foothold in the workforce. But, as wedetail in this report, making the most of this opportunity will require new strategies and policies from both city policymakers and the private and nonprofit workforce development providers who work with this population.

This study follows our Chance of a Lifetime report, published in 2006, which concluded that the anticipated retirement of tens of thousands of Baby Boomers would create an unprecedented opportunity for New York City to move significant numbers of young, at-risk New Yorkers into decent-paying, career-track jobs. That report profiled seven industries with projected job growth, modest entry qualifications and solid career prospects—from health care and construction to automotive repair and information technology.

Much has changed since 2006. For instance, the construction industry has lost thousands of jobs and, at least for now, no longer holds as much promise for young people. Similarly, many of the anticipated retirements in fields such as health care did not happen as the financial crisis prompted many older workers to continue working. Further, several hospitals and nursing homes have closed in recent years, although there are new opportunities in outpatient care.

At the same time, however, the challenges facing disconnected youth today are arguably even more pressing.

With all of this as a backdrop, JobsFirstNYC, a not-for-profit intermediary focused on reconnecting young adults to the economy, provided support for us to update and expand our analysis in light of the current economic climate. They charged us with looking ahead for future job prospects, not merely evaluating the current job market for young adults in New York City.

We began with a thorough review of NYSDOL employment projections through 2018, focusing on occupations that meet four criteria: they are expected to have at least 100 job openings a year in New York City through 2018; they pay a median annual wage of at least $25,000 or can lead fairly directly to a job paying at that rate; they require little formal training—ideally less than four months; and a substantial share of the workers have only a high school diploma, high school equivalency (HSE)

diploma or less.

In other words, our primary focus was to identify decent-paying jobs that will be in demand over the next decade and are accessible to the city's disconnected youth. Further, although the roughly 172,000 New Yorkers age 18 to 24 who are out of school and out of work have a range of skills and academic abilities, this report focuses on those at the lower range of educational attainment who are traditionally the hardest to reconnect to the workforce. And where formal training is required, we selected occupations in which the training was not particularly costly. Occupations such as heating, ventilation and air conditioning repair, for example, were omitted because the least expensive training program we found cost $5,960. The threshold of at least 100 job openings a year was set in acknowledgement of the difficulty in developing cost-effective approaches to train and place youth in occupations with few openings.

In addition to relying on Labor Department projections, we field-tested whether these occupations are indeed realistic for young adults with limited educational attainment by interviewing more than 75 leaders from local businesses, industry associations, workforce training organizations, industry associations, labor unions, academia and government. For example, economists and labor market experts were asked to confirm assumptions about job growth and turnover, directors of the city's Workforce1 Career Centers and business managers were queried about whether and under what circumstances disconnected youth would be hired for the selected occupations, and colleges and community-based organizations that work with young adults were asked about the training and supports necessary to make them job-ready employment candidates, and about employer expectations and preconceptions.

What we found is encouraging. Altogether, we identified 26 occupations that disconnected youth could realistically fill and which can be a first step toward economic self-sufficiency (See chart of "26 Promising Occupations" on page 7). These occupations fall into seven economic sectors: healthcare, property maintenance, transportation, telecommunications/utilities, office/administrative, retail and hospitality.

Some occupational trends of note include:

- The aging of the city's population and realignment of healthcare delivery away from acute care and toward outpatient care is boosting demand for medical assistants in clinics, certified nurse aides in non-hospital settings and pharmacy technicians in drug stores. For example, NYSDOL projects that by 2018, the number of pharmacy technicians, at a median salary of $34,530, is expected to increase upwards of 30 percent while medical assistant jobs, with a median salary of $32,360, will grow by 21 percent.
- The aging of the population has also contributed to a dramatic increase in the number of paratransit vehicles that shuttle older adults and the disabled to doctor's appointments, nursing homes and other destinations. Ridership on Access-a-Ride vehicles grew by 15 percent a year between 2005 and 2009. With the city's elderly population expected to grow faster in the decades ahead, a Metropolitan Transportation Authority paratransit official told us they expect annual ridership growth of seven or eight percent going forward. We estimate that there will be as many as 600 job openings a year for paratransit drivers across the city.
- The number of tourists visiting New York has grown significantly in the last few years. In 2011 there was a record50.5 million visitors. Tourism industry employment grew by 34 percent from 2002 to 2009. While many of these jobs pay low wages, some occupations in the food service and hospitality industries that support tourism, such as hotel and resort desk clerks, can pay up to $40,000, even without postsecondary education.
- While many New Yorkers are less than thrilled with new banks sprouting up across the city—the number of branches increased from 452 to 694 over the past decade—these new branches have created hundreds of teller positions that pay $12 to $15 an hour and do not require a college degree. The State Department of Labor projects continued employment growth in this sector.
- The personal financial crises many New Yorkers are experiencing in the difficult economy have also had an upside—positions for bill collectors are expected to grow 8.6 percent by 2018 and offer a median salary of over

$40,000, with only short-term on-the-job training required.

Additionally, thousands of openings simply result from normal turnover:

- Demand for an average of 4,620 office clerks a year is projected through 2018. Although a significant share is expected to come from employment growth, most of these openings will result from turnover among the 232,350 workers currently in office clerk positions. Office clerks earn median wages of $28,000 to $42,000 depending on their title. Only a high school diploma or HSE diploma is required to start.
- In property maintenance there is an average of 1,700 openings a year for janitors with a median salary of $30,870and 700 openings a year for general maintenance and repair workers with a mean salary of $45,060.

Much of what we learned challenged preconceptions about the kinds of jobs that disconnected youth could perform. For example, the position of computer support technologist would not seem to be a natural fit, as most of New York's computer support techs have attended college. However, we identified two nonprofit organizations with long track records in training and placing youth who had nothing more than a high school diploma in these well-paying, highly competitive positions.

Experts we interviewed also challenged common assumptions about some of the occupations. For instance, we were not initially planning to include opportunities in the retail and hospitality sectors, based on the widely held belief that they offered dead-end jobs with low wages. However, directors of the city's Workforce1 Career Centers and workforce development practitioners made us take a second look after they pointed out how these sectors offer a crucial foothold in the job market for youth with lower educational attainment and minimal work experience.

On the other hand, some occupations that initially seemed like good options were found to be less auspicious after further investigation. For instance, we eliminated the occupation of tractor-trailer driver from our target list after learning that drivers had to be over 25 and have years of professional driving experience. We also dropped some jobs because we were told that youth shied away from them. For example, there are a significant number of sales openings in the wholesale trade and manufacturing sector at base salaries of $10 to $15 per hour, plus commissions that raise total compensation to $40,000 to $50,000 per year, according to Martin D'Andrade, director of the city's Workforce1 Manufacturing Career Center. Although these jobs are available to youth without a high school degree, we learned that they are hard to fill, likely because they require a degree of confidence to sell products and services that many youth may lack.

Although we found more than two dozen occupations that offer good career prospects, there are serious obstacles standing in the way. Nearly every occupation with a median salary of at least $25,000 requires some form of post-secondary training and many employers require a high school diploma and reading proficiency at a 10th grade level to perform basic tasks.

Even more important than skills training and educational qualifications may be job readiness. According to many of the employers and workforce development experts we interviewed, employers want workers who understand how to dress appropriately, how to speak to customers and how to accept criticism. But even with these basic skills, young adults may have a hard time getting hired because there is no easy way for them to find openings.

All of these barriers are especially keen for young adults with little or no work experience. Our recommendations to address them include the following:

- **Expand short-term sectoral training programs into additional occupations**. Short-term sectoral training programs operated by nonprofit organizations, community colleges and the New York City Technical College have been particularly effective at qualifying New Yorkers for many of the occupations discussed in this report. However, in two of the occupations listed here—clerical and administrative support, and property management—the number of available training slots meets only about a tenth of the demand for workers in these two sectors.
- **Create sectoral training programs for youth**. The sector-based approach to workforce training has largely focused

on adults. Programs should be adapted to better serve young adults.

- **Provide young adults with information**. Even young people who are work ready often struggle to access jobs because they simply aren't aware of the opportunities that are out there. To remedy this career information deficit, the city should consider creating storefront community outreach centers in neighborhoods where large numbers of unemployed young adults live. These centers would be a source of referrals to job openings, as well as to education and training programs.
- **Assist young adults in obtaining a driver's license**. One of the more surprising barriers for young adults to access decent paying career opportunities is the lack of a driver's license. Our research found that many of the occupations expected to grow in the years ahead require workers to have a driver's license, something that too few young adults in New York have. Even if employers don't require commercial driving skills, some occasionally need their workers to pick up or deliver supplies. For example, retail and food service employers might ask employees to move a vehicle or pick up goods for them. Some employers also see having a driver's license as a sign of responsibility and job readiness.
- **Create better connections between workforce providers and employers**. While community-based workforce providers are playing a critical role in getting young adults into decent paying jobs, a number of these organizations could benefit from having stronger relationships with employers.
- **Help young adults meet entry-level job requirements**. Most of New York City's unemployed young adults lack a high school degree or a high school equivalency (HSE) diploma. At the same time, most of the jobs paying a median annual wage of at least $25,000 require a degree or HSE diploma. Without this basic credential, these young adults cannot qualify for a reasonable entry level job and are unlikely to ever be able to support a family. Programs that help prepare individuals for the high school equivalency exam are generally regarded as valuable, but the number of slots for these prep programs is inadequate to meet the need.
- **Develop more internships and apprenticeship opportunities**. Employers are often reluctant to take a chance on a young person without work experience and no training program can substitute for real world experience. More opportunities are needed for young people to learn how to work at job sites and apprenticeships that groom young people for stable jobs that pay livable wages.

The Occupations

This report discusses occupations in seven economic sectors—office/administrative, healthcare, property maintenance, transportation, telecommunications/ utilities, retail and hospitality—that provide good first jobs for young persons with limited education, training, work experience and economic resources.

Our analysis below details 26 occupations across seven sectors that could provide nearly 26,000 disconnected youth withthe "chance of a lifetime" for decent paying work, without substantial educational and training requirements. Each of these occupations pays a median wage of least $25,000 a year, or can directly lead to a position paying at that level. Additionally, 16 of the occupations do not require a high school degree or high-school-equivalency degree and are projected to have over 16,000 openings annually. The remaining occupations require no more than a high school diploma or high-school-equivalency degree and no more than six months of additional training. Across these sectors and occupations, there will be significant turnover and some growth, providing good opportunities for youth to gain a foothold in the workplace.

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