

From Social Good to Strategic Talent Advantage:

THE BUSINESS CASE FOR HIRING OPPORTUNITY YOUTH



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Introduction

As organizations strive to cultivate inclusive, equitable and diverse workplaces, their quest to find talent is increasingly taking them [beyond traditional talent pipelines](#). This shift comes at a time when today's workers and consumers are also holding organizations accountable for having a positive impact in their communities and tackling pressing social issues. Amid calls for social change, one nontraditional talent pipeline that is gaining attention is opportunity youth, defined as young people between the ages of 16 and 24 who are disconnected from school and work. They are disproportionately youth of color, and many, but not all, have experienced life challenges such as spending time in foster care, living unhoused, having a juvenile criminal record or having a parent incarcerated during their childhood. Recognizing that this population faces barriers to employment, forward-thinking programs like [Unlock Potential](#) are partnering with employers to help create meaningful career opportunities for opportunity youth to drive economic mobility, advance racial equity and break cycles of incarceration.

The benefits of hiring opportunity youth extend beyond doing social good, however. They also include helping organizations meet their talent needs. This population of untapped talent was estimated to be nearly [4.7 million](#) strong in 2021. As the labor market remains tight, with [over 9 million job openings](#) in December 2023, opportunity youth represent a large store of untapped potential that employers can leverage to address their persistent talent gaps and better fuel their businesses. However, these individuals continue to be overlooked by employers, despite their potential.

To better understand employers' concerns about this talent pool, their willingness to recruit and hire opportunity youth, and their readiness to support and maximize the success of this population within the workforce, the SHRM Foundation and SHRM Research, in collaboration with Walmart through the Walmart.org Center for Racial Equity, surveyed HR professionals, including those who are responsible for recruiting, hiring and retaining talent; U.S. workers; and U.S. consumers. By identifying opportunity youth's unique strengths as well as examining lingering obstacles to hiring members of this population, this research provides organizations with meaningful strategies to harness the potential of this untapped talent group.



Who Are Opportunity Youth?

Opportunity youth are young people between the ages of 16 and 24 who are neither enrolled in school nor participating in the labor market. They are disproportionately youth of color, and many, but not all, have experienced life challenges such as spending time in foster care, living unhoused, having a juvenile criminal record or having a parent incarcerated during their childhood.

Due to these circumstances, opportunity youth may face additional barriers to employment beyond their disconnected status. These barriers include biases related to their age and racial identities as well as negative perceptions about their level of experience and reliability as young workers.

Executive Summary

- **An estimated 12% of young people ages 16 to 24 are neither working nor in school.** These opportunity youth represent an untapped talent pool for employers.
- **Hiring opportunity youth can help organizations address their unmet talent needs.** With the number of job openings surpassing the [9 million mark in December 2023](#), the untapped talent pool of nearly [4.7 million opportunity youth](#) represents a potential solution for organizations experiencing difficulty hiring and retaining workers.
- **Organizations that invest in hiring opportunity youth are less likely to be experiencing talent shortages.** Only 55% of employers that have a formal program for recruiting and hiring opportunity youth currently report difficulties filling their open positions, versus 71% of employers that don't have any program in place.
- **When given the chance, opportunity youth workers perform just as well as or better than other workers.** Of those who have currently or previously worked with opportunity youth, 77% of HR professionals and 69% of U.S. workers report that opportunity youth perform as well as or better than other employees.
- **Skills-based hiring can help employers better recognize the potential of opportunity youth.** When asked why their organization does not have a program for recruiting and hiring opportunity youth, 43% of HR professionals said opportunity youth lack the skill sets the organization is looking for. However, among HR professionals who have concerns about the level of skills and knowledge opportunity youth possess, 89% said some or most of their concerns would be addressed if an opportunity youth candidate held a skilled credential related to the work the organization does.
- **Most U.S. consumers are comfortable patronizing a business that hires opportunity youth.** More than 7 in 10 consumers (71%) would be comfortable or very comfortable patronizing a business that hires opportunity youth. Moreover, nearly 1 in 5 U.S. consumers (18%) said they would patronize a local business more if they knew the business hired opportunity youth.
- **Employers that embrace community partnerships are finding success in unlocking the potential of opportunity youth.** Among organizations that partner with advocacy or community-based organizations to recruit and employ opportunity youth, 96% reported positive results. Over half (54%) said these partnerships have been effective or very effective in helping them access and work with members of this talent pool, while an additional 42% said the partnerships were slightly effective in doing so.



Why Hire Opportunity Youth?

HR professionals who are willing to hire opportunity youth expressed three main motivations:

1 Employing opportunity youth is good for our community (**76%**).

2 Maintaining a diverse workforce is part of our organizational values or corporate social responsibility strategy (**62%**).

3 It's the right thing to do (**53%**).

Notably, enhancing the diversity of their organization's talent pool and contributing to social good were similarly strong motivators for HR professionals to engage with opportunity youth in their talent searches. Several HR professionals offered insightful comments about how doing so benefits their organization and society at large:

"It is a forward step in creating an inclusive society, and that mindset will hopefully continue as the youth mature and grow into our future leaders."

—HR professional in the government/public administration/military industry

"The community impact is likely the greatest advantage, as you are actively working with an underserved, often underemployed population that wants to find success and make a valuable contribution to the community. It's often the first step toward breaking the cycle of poverty for many of the opportunity youth in our area."

—HR professional in the finance/banking/insurance industry

On top of the ways hiring opportunity youth can benefit local communities, organizational diversity and social responsibility efforts, there is another strong business case to be made for hiring members of this population: the ability to address talent needs in a tight talent market.

While nearly 7 in 10 of the organizations surveyed reported having difficulties filling their open positions, organizations that invest in hiring opportunity youth through a formal program were less likely to be experiencing staffing shortages.

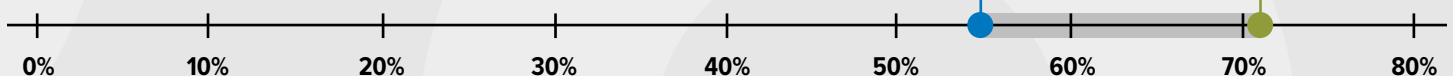


Organizations that invest in hiring opportunity youth are less likely to be experiencing talent shortages.

Percentage reporting difficulty filling open positions in the past 12 months

55% of organizations with a formal program for recruiting and hiring opportunity youth experience talent shortages

71% of organizations without any kind of program (formal or informal) experience talent shortages



Engaging with opportunity youth doesn't just alleviate talent shortages. It also introduces organizations to a large pool of workers who are eager to learn and motivated to grow and who can offer fresh perspectives and innovative ideas to tackle everyday workplace challenges. HR professionals believe that, when paired with empathetic leadership and dedicated mentorship, providing opportunities to this group of untapped talent can result in opportunity youth contributing positively to the organization in several ways.

Strengths that HR professionals agree opportunity youth would bring to their organization

Key

Disagree

Somewhat agree

Agree/Strongly agree

"Disagree" combines "somewhat disagree," "disagree" and "strongly disagree" responses. Totals may not equal 100% due to rounding.

Be highly willing to learn



Be motivated to grow in the organization



Bring innovative and creative ideas



Increase age diversity in the organization



Understand new technologies



Adapt quickly to new challenges



Be highly engaged



Expand customer market (e.g., younger customers)



*“They had a **strong desire to learn and strengthen their existing situation**. As such, they were always on time and eager to take on new projects. This was only strengthened by pairing them with mentors at the organization I was working for.”*

—HR professional in an unspecified industry

*“They are so **technically and digitally savvy that they often see ways to improve processes and procedures we don’t see because we’ve been stuck in the status quo**. They have wonderful energy, they see life as an infinite opportunity, and they contribute to our company culture and the future of our business.”*

—HR professional in the professional/technical/scientific services industry

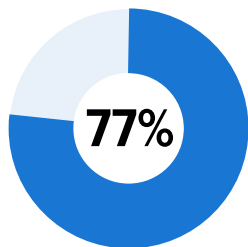


Opportunity Youth in the Workplace

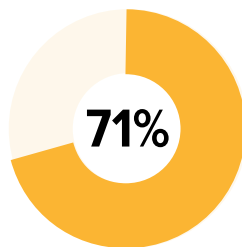
HR Professionals and U.S. Workers

Despite opportunity youth’s general disconnection from the labor market, 44% of HR professionals and 38% of U.S. workers reported having experience working with opportunity youth, underscoring the fact that opportunity youth may be more prevalent in our local communities than most people think. This presents a unique opportunity for organizations to address their unmet talent needs by connecting with this talent pool of nearly 4.7 million. HR professionals and U.S. workers indicated receptivity to this strategy, in that they expressed a willingness to work with opportunity youth and comfortability in doing so. Moreover, those who currently work with members of this population or who did so previously reported having positive experiences.

When given the chance, opportunity youth workers perform just as well as or better than other workers.



of HR professionals said opportunity youth perform just as well as or better than other employees*



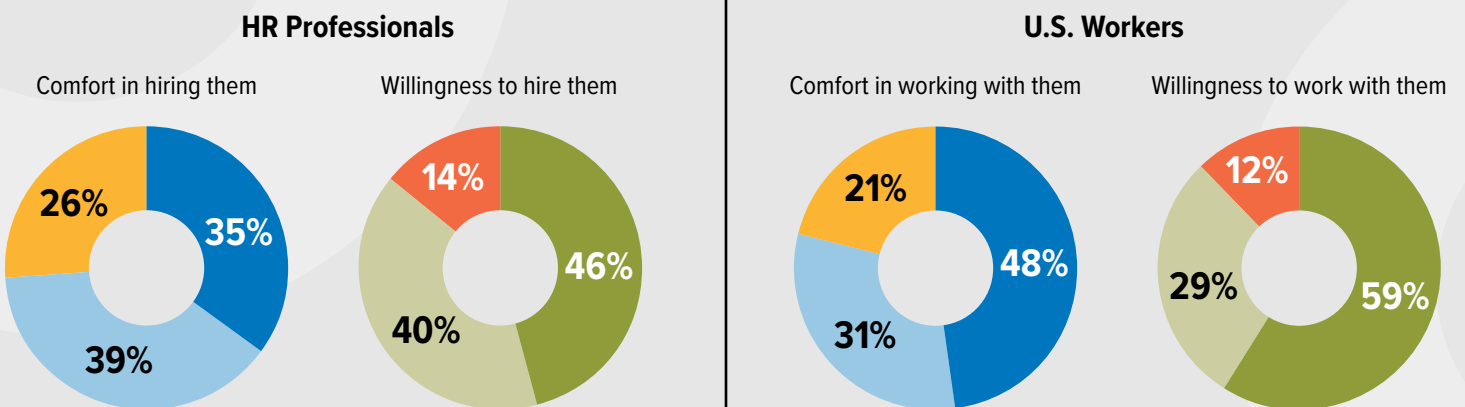
of HR professionals reported that their experiences working with opportunity youth have been positive*

*“One memorable experience involved a young individual who joined our organization as an opportunity youth. They were initially shy and lacked confidence but displayed a strong desire to learn and grow. Over time, with mentorship and support, they blossomed into a skilled and compassionate health care professional, making a positive impact on our team and the patients they served. **This transformation highlighted the potential for growth and success when given the right opportunities and support.**”*

—HR professional in the health care industry

*Among those who currently work or have previously worked with opportunity youth

Most HR professionals and U.S. workers are at least somewhat comfortable hiring and working with opportunity youth.



Key 1

- Comfortable or very comfortable
- Somewhat comfortable
- Uncomfortable

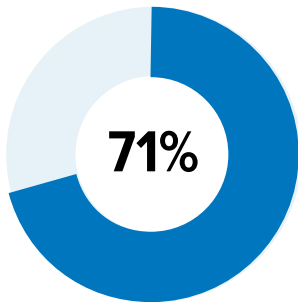
Key 2

- Willing or very willing
- Somewhat willing
- Unwilling

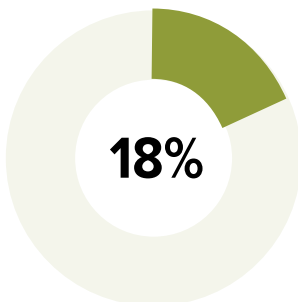
U.S. Consumers

These levels of comfort are also seen in U.S. consumers. Most say they're comfortable patronizing a business that hires opportunity youth. What's more, nearly 1 in 5 would patronize a local business more if they knew it employed people from this demographic.

Most U.S. consumers are comfortable patronizing a business that hires opportunity youth.



of U.S. consumers would be comfortable or very comfortable patronizing a business that hires opportunity youth



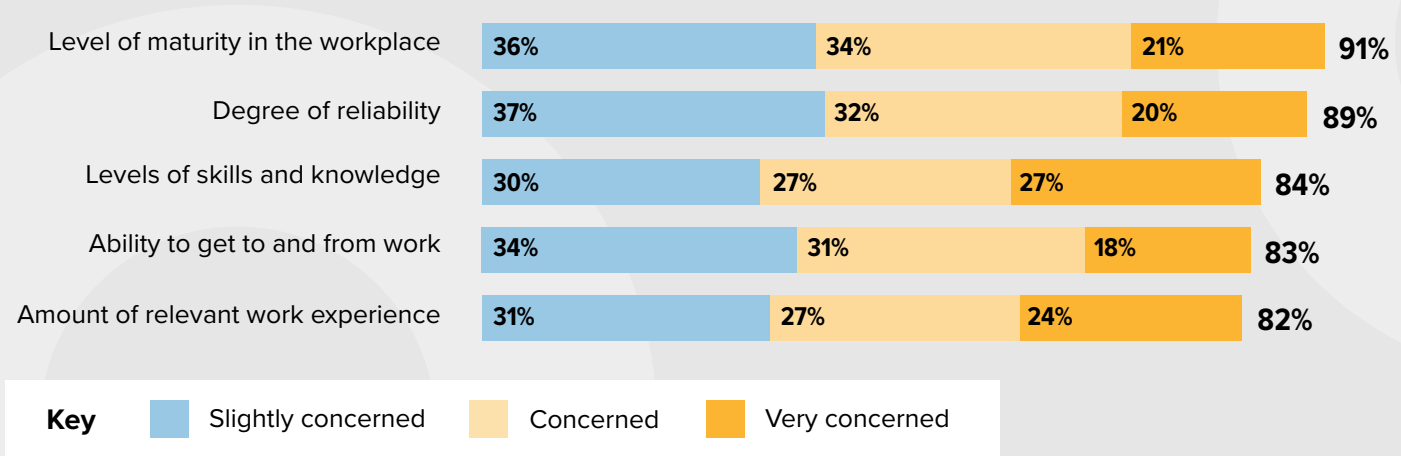
of U.S. consumers would patronize a business more if they knew it hired opportunity youth



Concerns About Hiring Opportunity Youth

While 22% of HR professionals agree or strongly agree that the benefits of recruiting and hiring opportunity youth outweigh the risks, many still express concerns about doing so. *Interestingly, HR's top five individual concerns about hiring opportunity youth—including level of maturity and lack of skills and knowledge—were similar to those they might have when hiring any young, inexperienced worker.*

HR professionals' top 5 individual concerns about hiring opportunity youth



HR professionals also indicated that organizational and other barriers exist to hiring opportunity youth. Three of the top five organizational concerns had to do with “fit”: ability to acclimate to the workplace, acceptance by co-workers and reactions from customers. Government restrictions, such as child labor laws, and organizational practices, such as minimum education requirements, rounded out the top five organizational concerns.

*“Apart from our experience requirement barrier to entry, **I would be most concerned about labels.** When we recruit individuals from targeted pools, we use hiring authorities related to that pool that create labels. ... I would fear that opportunity youth would come with a label of troubled or at-risk, which could make the youth feel self-conscious and could lead to co-workers making assumptions.”*

—HR professional in the government/public administration/military industry

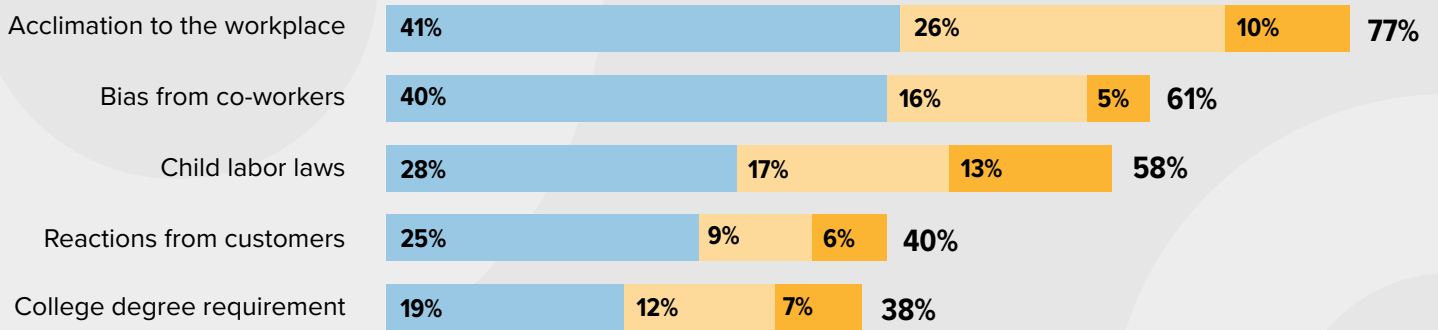
*“In order to move up [in my organization], you are required to have a minimum of a bachelor’s degree. It would be difficult for some of the staff to understand not everyone needs an education to be a great employee. **The change in mindset would be a concern for me.**”*

—HR professional in the education industry

*“**The concerns would be the same with most other youth:** Will they be responsible and take the job seriously? Will they have a genuine interest in doing the work they are hired for? Will the supervisors and other staff treat them fairly?”*

—HR professional in the government/public administration/military industry

HR professionals' top 5 organizational concerns about hiring opportunity youth



Key ■ Slightly concerned ■ Concerned ■ Very concerned

Importantly, HR professionals' concern about opportunity youth facing biased treatment from co-workers appears to be unfounded. In fact, **93%** of workers surveyed said they would be at least somewhat supportive of their organization hiring these young people. The same is true of HR's concern about consumers' reactions. Only **10%** of U.S. consumers said they would experience any degree of discomfort patronizing a business that hired opportunity youth.



Hurdles to Hiring Opportunity Youth

Despite a majority of HR professionals indicating that their organization is having a difficult time filling open positions, and close to three-quarters of those who have worked with opportunity youth reporting positive experiences, **only 17% of organizations currently have a formal or informal program aimed at recruiting and hiring opportunity youth.**

Why Is This Untapped Talent Pool Not Being Leveraged?

Managers are not trained to supervise opportunity youth employees, according to 75% of HR professionals.

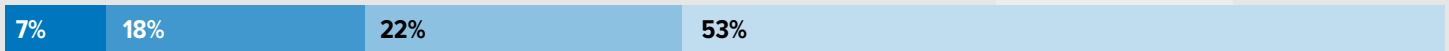
Possible solution: Implement training programs by partnering with local community organizations that have experience working with opportunity youth. When asked about their organization’s readiness in recruiting, hiring and retaining opportunity youth workers, HR professionals said their biggest area of concern was managers’ ability to effectively support these employees, followed by difficulty getting organizational buy-in for formal recruitment efforts. Collaborating with local community organizations that specialize in working with this population can equip managers and leaders with the tools and resources necessary to foster a workplace environment conducive to the success of opportunity youth.



Organizational readiness to hire opportunity youth

Positively worded items*

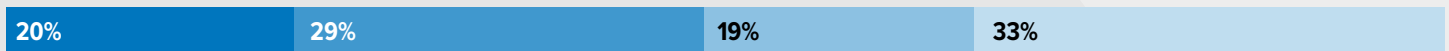
Managers at my organization are trained for the unique situations that might arise with opportunity youth employees.



Hiring practices at my organization are currently inclusive of opportunity youth.



My organization is prepared to provide on-the-job training to opportunity youth.



Negatively worded items**

It would be a challenge to convince my organization to put a formal recruitment/hiring program in place for opportunity youth.



My organization doesn't know where to start implementing a formal opportunity youth recruitment/hiring program.



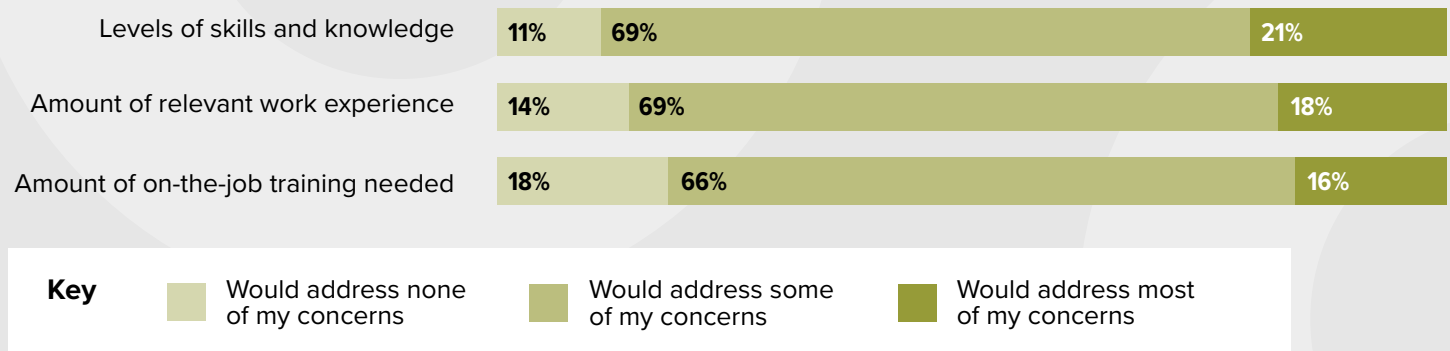
*Totals may not equal 100% due to rounding.

**Asked to those who said their organization did not have a formal/informal program in place for the hiring of opportunity youth. Totals may not equal 100% due to rounding.

Opportunity youth lack necessary skill sets, according to 43% of HR professionals.

Possible solution: Adopt skills-based hiring practices in organizations. HR professionals reported that if an opportunity youth candidate were to earn a relevant skilled credential, this would mitigate some or most of their concerns about the individual’s levels of knowledge and skills, the amount of on-the job training that would be required, and the person’s lack of work experience. Given that opportunity youth are, by definition, disconnected from school and work, obtaining a skilled credential would serve as an indication of industry competency, persistence and strong work ethic.

Effect of skilled credentials on HR’s concerns about opportunity youth employment readiness

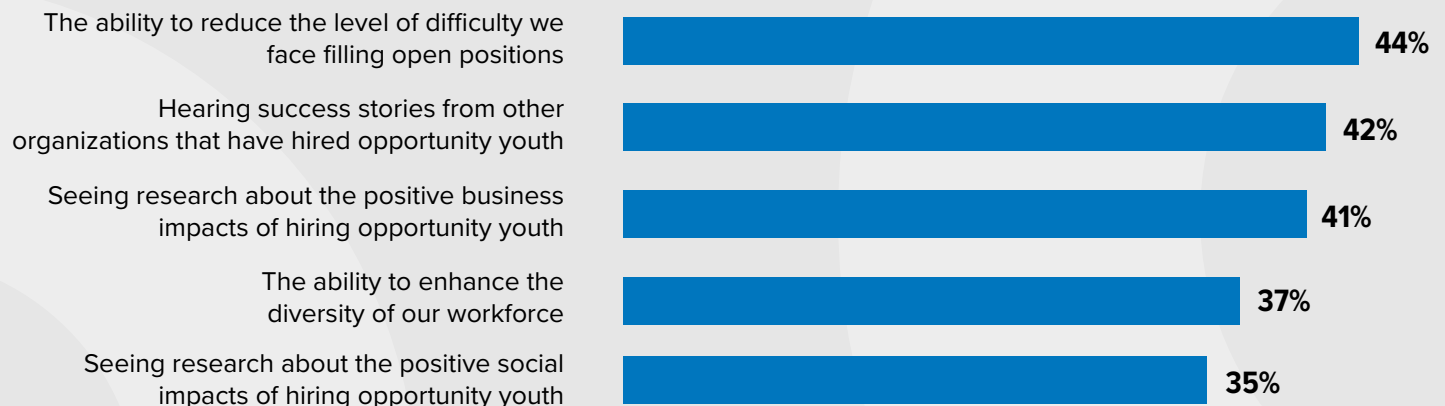


Totals may not equal 100% due to rounding.

Recruiting opportunity youth is not a priority, according to 34% of HR professionals.

Possible solution: Make a stronger business case for the benefits of hiring opportunity youth to company leaders by aligning these initiatives with the company’s strategic goals. Emphasizing the strategic advantages of hiring opportunity youth may allow organizations to transition their thinking from believing that engaging with this population is about “doing the right thing” to recognizing that it also results in a positive return on investment. HR professionals point to several types of information that might sway organizational leaders, but they particularly highlight the importance of focusing on tangible outcomes and success stories related to this talent strategy to maximize leadership buy-in.

Top 5 factors HR professionals say have motivated or would motivate their organization to invest in a formal program for recruiting and hiring opportunity youth



It is unclear how to recruit candidates from this population, according to 24% of HR professionals.

Possible solution: Learn from other organizations that have already invested in this talent pool. Of those organizations that do not have a formal or informal program in place to recruit opportunity youth, 63% said they would not know where to start. Yet, the 17% of organizations that do have programs in place have found several effective strategies, offering a menu of options for organizations willing to pursue the hiring of opportunity youth.

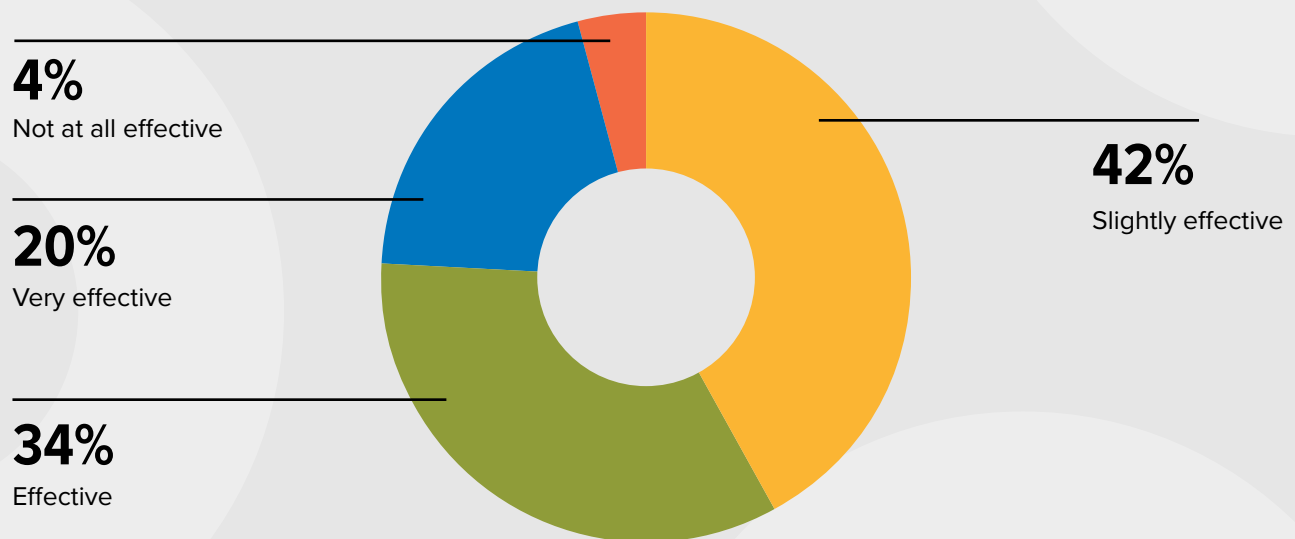


Strategy	Among organizations that have a formal or informal program in place, percentage that currently use this strategy	Among organizations without a program in place, percentage open to using this strategy	Among organizations without a program in place, percentage not open to using this strategy
Internship or apprenticeship program focused on providing equitable openings for opportunity youth	39%	48%	22%
Talent pipelines to source opportunity youth (e.g., partnering with advocacy groups or nonprofits)	32%	55%	17%
Job fairs tailored to opportunity youth candidates	31%	47%	25%
Marketing/outreach efforts targeted to opportunity youth candidates	26%	49%	25%
Evaluating and modifying job postings to be more inclusive of opportunity youth	26%	49%	24%
Job design modifications to add flexibility for opportunity youth (e.g., redesign of qualifications, workflow, schedules)	20%	32%	41%
Training to help managers better evaluate opportunity youth candidates	14%	64%	16%

Strategies for Successfully Hiring Opportunity Youth

- 1. Implement a formal program targeting opportunity youth.** Identify outreach strategies to engage with this population, such as adapting job descriptions and seeking candidates outside of traditional hiring channels. Initiating an internship or job preview program could provide an avenue for opportunity youth to acquire valuable work experience, while at the same time presenting a lower-risk option for employers that wish to assess the individuals' job performance before offering them regular employment. Seek co-workers (perhaps former opportunity youth) willing to be mentors and help with on-the-job training. In particular, reach out to front-line managers to ascertain their receptiveness to supervising opportunity youth and identify any support or training that could be beneficial.
- 2. Engage with community partners.** More than half (**52%**) of organizations that have an opportunity youth hiring program in place partner with an advocacy or community-based organization. Almost all reported that a partnership was very effective, effective or at least slightly effective in recruiting and hiring opportunity youth. A key advantage is that the employer can draw on advice and support from professionals who are knowledgeable about these young people and invested in seeing them succeed.

How effective has partnering with advocacy/community-based organizations been in recruiting and employing opportunity youth?



*“The fact that the ... community organization brought us the new hire is helpful, as they are as invested in seeing the success of the opportunity youth as we are. When we experience bumps along the road, like performance or schedule issues, **we have a partner who can work with us to address [them].**”*

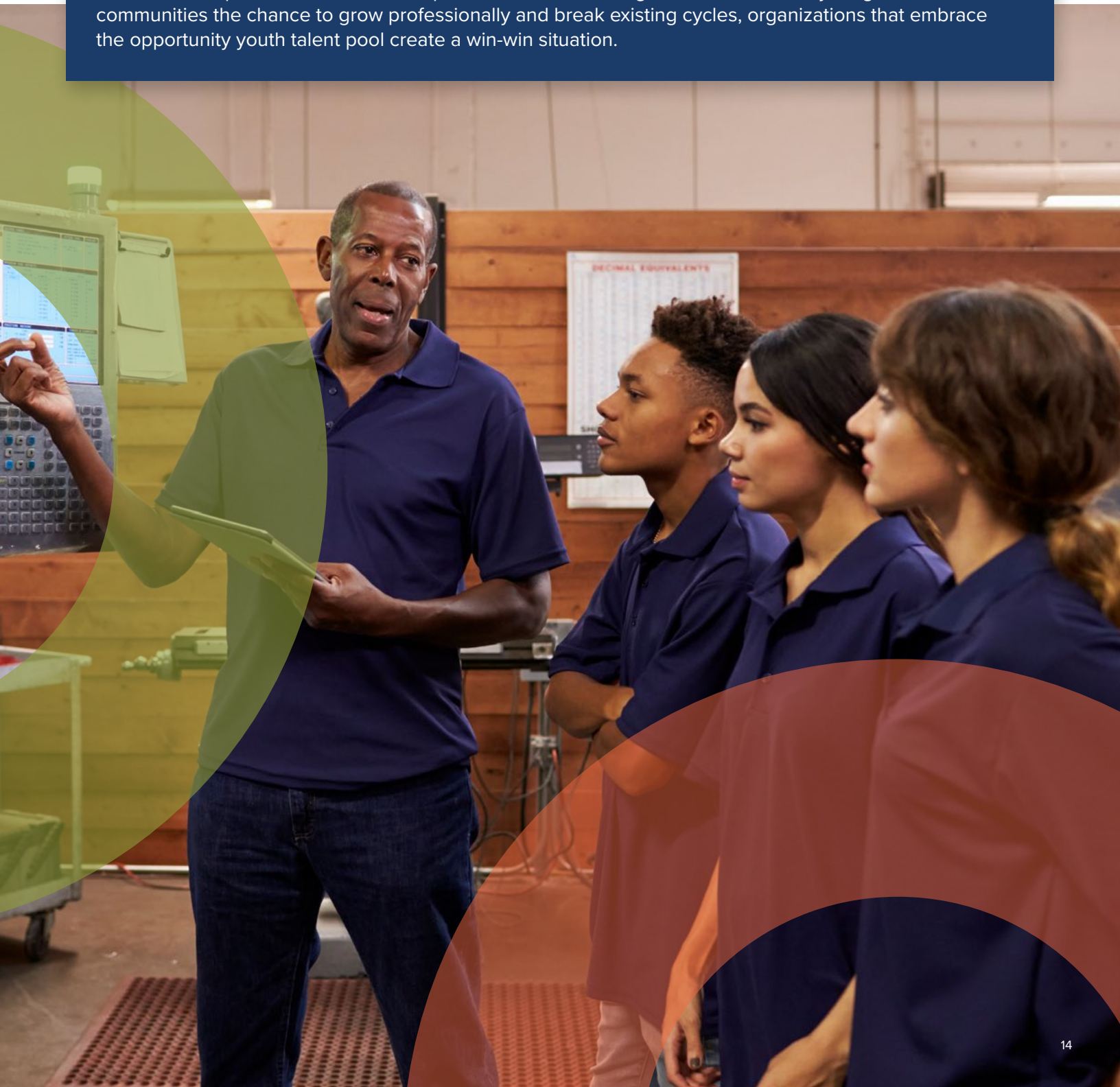
—HR professional in the hospitality industry

*“I’m definitely interested but would **prefer to work with opportunity youth if a community partnership were present so that not so much of the management of the youth fell on the employer.**”*

—HR professional in the manufacturing industry

3. Whenever possible, take a skills-based hiring approach. This approach acknowledges the unique challenges faced by opportunity youth and focuses on valuing skills and capabilities over educational requirements and years of work experience. Assess job requirements to determine whether there are reasonable equivalents for the minimum qualifications, such as a skilled credential in place of a degree. If the candidate has relevant volunteer but not paid experience, or only part-time job experience, how will that be evaluated against the minimum required experience? Explore the [SHRM Foundation's Skilled Credentials Toolkit](#) to identify strategies to help your organization leverage what opportunity youth have to offer.

In conclusion, the barriers to hiring opportunity youth may be both fewer and lower than many HR professionals expect. Moreover, there are compelling reasons, both societal and business-related, to tap into this talent pool. Whether it's to help address talent shortages or to offer these young members of our communities the chance to grow professionally and break existing cycles, organizations that embrace the opportunity youth talent pool create a win-win situation.



Methodology

Two surveys were fielded in November 2023. A total of 1,488 U.S.-based HR professionals were surveyed electronically using the SHRM Voice of Work Research Panel. In addition, a representative sample of 1,433 U.S. consumers ages 18 and older was surveyed electronically using a third-party research panel. The latter survey included questions presented to a subset of U.S. workers who reported working full time or part time for an organization (n = 892).

About the Partners



SHRM is a member-driven catalyst for creating better workplaces where people and businesses thrive together. As the trusted authority on all things work, SHRM is the foremost expert, researcher, advocate, and thought leader on issues and innovations impacting today's evolving workplaces. With nearly 340,000 members in 180 countries, SHRM touches the lives of more than 362 million workers and their families globally.



The SHRM Foundation empowers Human Resources as a force for social good. As the non-profit arm of SHRM, the world's largest HR professional society, the Foundation believes that HR holds a unique position to lead change in the face of complex challenges within the world of work. The organization mobilizes and equips HR to ensure the prosperity and thriving of talent and workplaces. The Foundation works by widening pathways to work for more skills-first candidates and more kinds of talent; tackling societal challenges, with a current focus on workplace mental health and wellness; and strengthening the HR field with even more diversity, growth, and readiness to address these needs. SHRM Foundation works with SHRM, courageous partners, and bold investors to generate awareness, action, and impact to build a world of work that works for all. Discover more at SHRMFoundation.org.



This research was made possible through a generous grant from Walmart through the Walmart.org Center for Racial Equity. We are proud to work with Walmart to help employers create meaningful career opportunities for opportunity youth to drive economic mobility, advance racial equity and break cycles of incarceration.

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