Turning NYC from a Net Importer of Talent to a Net Producer of Talent in the Next Decade

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SUMMARY

QUESTION: How can New York City create an equitable and competitive NYC workforce that delivers in-demand skills for employers and creates economic opportunities for job seekers?

WHY IMPORTANT:

1. **The challenge:** The latest data show that too many New Yorkers—and Blacks and Latinxs, in particular—are unable to compete in the local labor market against out of state candidates. But, projections about job market growth in the coming years offer an opportunity for New York to address these disparities. New York City’s new administration can shape an effective public policy and partner with local employers to improve career prospects for local talent in a way that will equally benefit jobseekers and local businesses.

2. **The solution:** New York needs a new public/private partnership agenda that bridges the supply and demand side of workforce development for the joint benefit of career-seekers and employers. Specific “supply-side” policies should focus on a deeper reliance on paid, supported on-the-job work experience as part of education and training programs, linking to “demand side” solutions that support employers’ recruitment, onboarding and integration of currently underrepresented members of the workforce.

RECOMMENDATIONS:

1. **In high school:** Ensure that students graduate high school making an informed postsecondary choice, supported by a set of real world, work-based experiences that give them greater understanding of (a) who they are—their skills and interests—and; (b) the range of careers available to them, and the postsecondary pathways to pursue their goals; and (c) professional mentors in their fields of interest to help advise them. This can only happen when high school education features real work, such as accredited internships, summer jobs, and longer-term apprenticeships, and that schools have the resources to provide staffing to create them. This will require a major expansion of paid work experiences for every student, including internships, apprenticeship, and transitional programs that bridge high school and postsecondary, through which students can learn skills and the ability to make informed decisions about postsecondary education and training.

2. **In job training programs:** Expand programming that utilizes paid, supported transitional employment in high-growth occupations. New York City should organize its support of job-training programs for adult workers returning to employment, as well as for those seeking to
enter the job market for the first time, around occupations projected to grow. To the extent that it currently targets job training resources, the city tends to point to sectors and industries; these, however, miss the fact that many sectors, such as finance, for example, include a wide range of occupations, from accounting, to investment, to information technology, and graphic design. Focusing on occupations offers a more useful framework that allows jobseekers to compete for work in various sectors, while also providing clearer understanding of the types of skills training that are foundational versus those that are specific to the exact work that happens in each occupation.

3. **In postsecondary: At the college level, all programs should include real world work experiences**, such as internships, apprenticeships, and at the very least exposure to the jobs and careers associated with those degrees. And since most students work, at least part-time, while they attend, colleges should offer credit for all the learning that happens at work, so that a student can structure and reflect on the many essential and transferable skills they gain in the workplace. This will require a major expansion of “applied” degree programs, which focus on real-world application of skills; but real exposure to the world of work can happen in any course. A meaningful share of learning experiences—ideally as much as 25 percent—in all degree programs should take place in real-world workplaces.

4. Track and analyze NYC employment market trends vs. the availability of local talent to meet the skills asked by those jobs. Producing quarterly reports that reflect the state of talent in NYC accompanied with the set of recommendations on improving local and equitable recruitment based on the insights from data.

5. Develop an internal audit tool for organizations to identify the areas of improvement in their local (NYC specific) talent acquisition efforts.

6. Train and capacity build for human resource (HR) departments to master the fundamentals of Strategic Workforce Planning (SWP). Introduce a SWP certificate and train local employers to equip them with the necessary skills to strategically identify, recruit, onboard and retain a diverse workforce.

7. Create systemic infrastructure so that companies can find NYC/NYS based talent efficiently. Currently, most employers attract talent using a “retail” strategy, through connections to specific colleges, word of mouth, and increasingly, technology-driven platforms. New York can work to fund and create easy, efficient ways for employers to find local talent from a more diverse set of education and training institutions.

8. Support partnerships between employer groups such as the Partnership for NYC, OneTen, and the NY Jobs CEO Council and postsecondary institutions to help reorient recruitment and hiring practices of local companies toward local talent.
CONSTRAINTS:

1. Prior focus on college degree attainment is not equitable and does not provide better outcomes for all populations.
2. Requires partnerships between organizations, associations, and government leadership which are initially difficult to forge and oftentimes difficult to maintain.

Background

The challenge: New York City has an opportunity to shape public policy and partner with employers to support improved career mobility for local talent. Labor market data makes it clear that New York City has what it takes to grow a better prepared, highly skilled workforce. Too many New Yorkers are currently at a disadvantage compared to US-born jobseekers from other U.S. states. Blacks and Latinxs, in particular, face deep labor market disparities compared to those from other states, particularly in relation to landing in higher-paying occupations. At the same time, local employers struggle to find and retain skilled local talent and end up recruiting from outside NYC, thus reinforcing local disparities.

At the moment, New York City acts as a gross importer of talent: it is home to many good jobs, and many people are more than willing to move here to obtain them. This dynamic benefits employers and the economy by bringing new ideas and energy into our city. But it comes with a downside, in that NYC local talent pool struggles to compete with the best and brightest from other cities.

Individuals born in New York, and Blacks and Latinxs in particular, are far less likely to land in mid- to high-wage occupations than US-born workers from other states, or White and Asian workers born in New York. Conversely, Black and Latinx workers born in New York are a much greater share of workers in low-wage occupations.
In the 50 most prevalent occupations among New York City residents (which represent nearly 60 percent of New York City residents' employment), New York State-born Black and Latinx residents represent a much smaller share of workers in mid-high wage occupations, compared to those born outside the state and in-state born White and Asian residents. Only 14 percent of residents employed in mid-high wage occupations are Black or Latinx and were born in-state. By contrast, Black and Latinx workers born in-state make up 24 percent of the low-wage workforce, a far higher share than those born out of state (8%) or in-state born White and Asian residents (10%).

The most traditional approach to improving employment outcomes has been college attainment, because on average, college graduates have better employment and earnings outcomes than non-graduates. But the story we often tell ourselves that just getting more people to college will address current disparities does not hold up to scrutiny. The lifetime earnings of college graduates may be higher, on average; but averages hide the wide variance in outcomes for different students who enroll in different programs. It is true that Blacks and Latinx in New York are less likely to have attended college, but college attainment does not neatly predict positive outcomes for them. **40 percent of New York-born Black and Latinx** college

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1HERE to HERE analysis of the 2015-2019 American Community Survey, 5-year sample. Mid-high wage occupations include the 26 of the city’s 50 most prevalent occupations that have a median income of at least $50,000 a year. Low wage occupations include the 24 of the city’s 50 most prevalent occupations with a median income of less than $50,000 per year.

graduates work in low-wage occupations—that is double the rate of NY-workers born out of state and that of NY-born Whites or Asians.³

Far too many young people are encouraged to go to college, without a deeper knowledge of themselves and of the range of postsecondary programs available for them to make an informed choice that can make them competitive in the job market.

Postsecondary education has a key role to play in the lives of students; but deeper analysis shows that there needs to be better preparation for students in high school to make informed choices about specific college programs and majors. At the college level, the curricula need to be linked to market relevant skills and experiences that will allow graduates to succeed in future careers. “Going to college”, without either a plan for how it will serve a specific student’s interests, and how the experience will align with labor market needs is not enough. Too many college programs neither include work experience, nor otherwise equip students with skills for careers.

That path forward is to work with NYC postsecondary institutions to ensure that all their students participate in programming that can help them become truly competitive in the New York labor market. That will mean responding to the employers’ need for candidates with two main assets: workplace experience and 21st century job skills. The first can happen through embedding real work programming into all postsecondary curricula. The Organization for Economic Cooperation and Development (OECD) sets a standard for at least 25 percent of instructional time consisting of work experience—a bar that should be also set for NYC schools. Students get from those experiences the 21st century skills that employers demand.

Companies seeking to fill jobs and hire diverse local talent are finding it difficult to do so in the local NYC candidate market, particularly in the higher paying fields such as tech and finance. Employers end up looking elsewhere for talent. But while much of the focus on workforce development is on “hard” or technical skills, for higher paid positions, employers are more often than not seeking “softer” skill sets from their applicants. According to IBM’s global skills survey executives are calling for next level behavioral skills, such as adaptability, time management, communication, and teamwork. (Fig. 1) To succeed in a job and build a career, employers often prioritize interpersonal skills over specific technical skills, with the thinking that the latter can be more easily taught in the workplace if an individual has these more foundational competencies.

Educational organizations such as The Urban Assembly have argued that it is most effective to teach these “career” skills in real-world settings, where students are interacting with peers and adults who are not just their parents, teachers, and friends. The world of work offers those opportunities in ways that traditional academic classrooms cannot provide on their own. The opportunity is there to provide work experiences and build these important “on the job” learnings and reflections on those experiences that are currently not explicitly integrated into students’ educational pathways.

These data points add up to a straightforward “supply side” solution: New York can do more to reorient NYC education and training efforts so that local talent has a better chance of competing for the best jobs. The entire city would gain from establishing a new system of career-.

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connected learning, that integrates paid work into all aspects of education and training for New Yorkers of all ages, for the double benefit of employers and jobseekers. New York City prides itself to be a place of opportunity for everyone, yet City leaders should also work to ensure that New Yorkers who attend city schools are given the opportunity to build both skills and experiences to get hired and succeed in higher paid, family-sustaining jobs.

The next step towards the goal of making NYC the incubator for the most competitive workforce is to more effectively engage the “demand side” (employers) as part of a broader approach to strategic workforce development.

2. **The solution:** We need a new public agenda that connects economic and workforce development for the joint benefit of career-seekers and employers. New York City has the resources needed to make local talent its competitive advantage—we just need the leadership to focus the city’s attention on creating an inclusive economy that works equally well for jobseekers and employers. The core effort should be on repositioning New York City’s investment in local talent development from one that helps land individuals in jobs, towards supporting NYC schools graduates to achieve sustainable careers. NYC employers will gain a competitive advantage having unlimited access to local talent that is better skilled and better prepared to succeed in their careers.

On the “demand side,” employers need to review and adjust how they recruit and onboard new workers. Employers are advised to perform a strategic workforce development audit (developed by NYU SPS Center for Workforce Transformation) and redesign their recruitment and onboarding practices to better recognize and assimilate a diverse population of new workers. Companies will become more competitive by adapting their internal workforce development practices and thus getting in front of the major changes driving the future of work: digitization of work, distributed workplaces, organizational redesign, and a changing workforce.⁶ Human resources (HR) departments can lead the charge of this shift from within companies by training and certifying their associates in fundamentals of Strategic Workforce Planning (NYU SPS certificate). The city can also support partnerships between employer groups such as the Partnership for NYC, OneTen, and the NY Jobs CEO Council and postsecondary institutions to help reorient recruitment and hiring practices of local companies toward local talent.

**The Future of Work in NYC**

Labor market projections show that NYC has a great opportunity to steer its policies in a new direction. Projections show substantial job growth through 2028 in a wide range of mid-high wage occupations. The table below presents the five high-paying occupations with the greatest projected job growth in New York State (the same five occupations have the greatest projected job growth in New York City).

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### NYS occupations with greatest projected growth (2018-2028), with median salary of at least $50,000 per year\(^7\)

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Projected Employment (2028)</th>
<th>Net Growth from 2018</th>
<th>Percent growth from 2018</th>
<th>Median salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered nurses</td>
<td>249,100</td>
<td>49,230</td>
<td>24.6%</td>
<td>$86,780</td>
</tr>
<tr>
<td>General and operations managers</td>
<td>184,880</td>
<td>16,230</td>
<td>9.6%</td>
<td>$132,200</td>
</tr>
<tr>
<td>Software developers, applications</td>
<td>73,130</td>
<td>16,120</td>
<td>28.3%</td>
<td>$113,910</td>
</tr>
<tr>
<td>Accountants and auditors</td>
<td>136,510</td>
<td>15,400</td>
<td>12.7%</td>
<td>$84,860</td>
</tr>
<tr>
<td>Market research analysts and marketing specialists</td>
<td>80,590</td>
<td>14,870</td>
<td>22.6%</td>
<td>$72,840</td>
</tr>
</tbody>
</table>

These growing numbers of job opportunities represent a clear business case for New York employers to engage actively and prepare themselves to meet their talent needs from within the local talent pool. On the talent supply side, the challenge is to overcome the institutional inertia that limits current education and training, so that they better incorporate real job experiences into their programming.

This combined effort on the supply (educators and trainers) and demand (employers) sides of the labor market equation can create the conditions for the inclusive economy in New York City to succeed.

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\(^7\) New York State Department of Labor, Occupational Projections