

GRADS *of* LIFE



EQUITY & CAREER ADVANCEMENT: Insights from Underrepresented Employees

Between the ongoing impacts of the pandemic and the Great Resignation, employers across all industries are facing a challenging labor market and working hard to retain their talent.

Evidenced by groups like [OneTen](#), employers are increasingly recognizing that a comprehensive and genuine commitment to diversity, equity and inclusion can be a powerful driver of employee engagement and retention. Specifically, employers are working with more commitment and rigor than ever to build systems and cultures that support historically excluded talent.

As a consultancy that works to help employers do this work, we at Grads of Life are committed to uplifting the voices of diverse and underrepresented employees to help employers understand their priorities, needs, and concerns.

We analyzed survey data from nearly 2,000 graduates of workforce development program [Year Up](#), whose demographic breakdown is to the right¹.

In exploring this data, we asked critical questions about equity and career advancement including:

- Are there commonly observed barriers to advancement among this group of talent?
- Are there disparities in career outcomes across race, gender, etc. despite common training?
- What job characteristics show up more commonly among talent who report satisfaction with their careers and high qualities of life?

METHODOLOGY

This survey was conducted in the fall of 2021. It was sent to 17,184 of Year Up's alumni. We received 2,391 raw unique responses, 1,975 of which were complete (not partial) responses.

GENDER

Respondents were 49.5% female and 48.1% male.

AGE

22.9% were 20-24 years old, 51% were 25-29 years old, 21.3% were 30-34 years old, and 2.2% were 35+ years old. The remaining 2.6% were missing age data.

RACE

The majority of respondents were nonwhite, with 44.1% identifying as Black or African American, 29.9% as Hispanic or Latino, 10.9% as Asian, 5.3% as white, 4% as two or more races, 1% as Native Hawaiian or Other Pacific Islander, and 0.4% as Native American. The remaining 4.4% were unknown or identified as another racial category.

¹ The survey sample was largely representative of the broader Year Up alumni population by race and geography. Men were underrepresented in the sample and data were biased toward recent cohorts, with more than half the sample representing alumni who graduated from 2017 onward.

FINDING #1

Respondents perceive lack of a higher education degree as a barrier to career advancement.



Respondents with a degree (Associate's or Bachelor's²) were almost 9% more likely to experience a promotion or raise, or shift to a higher paying job in the year before the survey was administered (2020-2021).

In addition to understanding the hard numbers around equitable advancement in the workplace, we at Grads of Life believe that listening to lived experience is critical.

In this survey, we see a powerful example of **lived experience** aligning to quantitative data. A resounding theme that emerged from the qualitative responses in this survey is that college degrees enable advancement, and that not having a degree hinders advancement. When asked what barriers they face to career growth, respondents were aligned around this sentiment:

Staying competitive amongst many other applicants. Being asked about a college degree. – Jonathan Rey Rodriguez, '18

Even with experience, sometimes jobs still strongly judge with hiring – all based on a degree that doesn't actually matter.
– Zachary A. Scheer, '18

I've been highly qualified for multiple supervisor/managerial roles, but due to lack of a degree from an accredited institution, I have been passed up."
– Glenn Acosta, '17

I had a hard time getting a job and led to janitor type work because it's a higher paying job than most without college degree. [...] The challenge of this work is I don't necessarily like it and it's a lot of high-demand labor but it gets the food on the table.
– Isaac Alexander Guzman, '19

Conversely, we heard from respondents who did **complete degrees** that they perceive their degree to be a key factor that enabled advancement. When asked to explain what has contributed to their career progress, respondents answered:

I went back to school immediately after Year Up for my A.S. and then completed my B.A. in January 2020. Additionally, I snagged a few certificates (Contract Management & Supply Chain Management)
– Isaiah Jermaine Vance, '14

"Undergrad and grad degree, IT certifications, networking, consistently updating LinkedIn/ Resume and keeping an open mind to any new opportunities within or outside of IT."
– Jennifer Maria Johnson, '15

Recent movement in the private sector away from degree requirements for entry- and mid-level roles is extremely exciting and promising. And as more people without degrees enter entry- and mid-level roles, there is a risk that they hit a ceiling if there are not clear pathways for them to advance based on skills gained on-the-job. If most roles above a certain level require a degree, despite having a non-degreed internal talent pipeline, employers will miss out.

Further, even if, on paper, degrees are not a barrier to advancement for this population, there is a clear perception that they are. This can come from many factors beyond formal job requirements such as needing to work harder to prove oneself, feeling disrespected or undervalued, or being labeled as an "other." Additionally, simply not knowing what career pathways are available to people without degrees can lead to a perception that there are not many options, so it is key that employers proactively communicate to this talent population about skills-based pathways to advancement.



EMPLOYER CHECKLIST

To drive a skills-based culture and ensure talent without degrees have equal opportunities to succeed at their companies, employers should prioritize:

- Skills-based job descriptions for management positions and higher
- Clearly defined and communicated skills-based career pathways

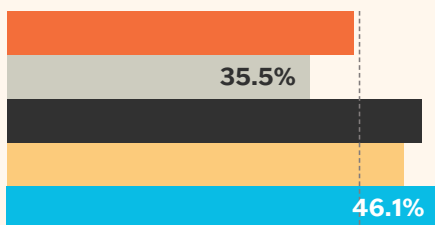
FINDING #2

Though many respondents are experiencing wage growth and satisfaction with their career progress, the data reveal racial disparities in career advancement experiences, including promotions and raises, that are particularly noteworthy given all respondents are graduates of the same training program.

OUR ANALYSIS:

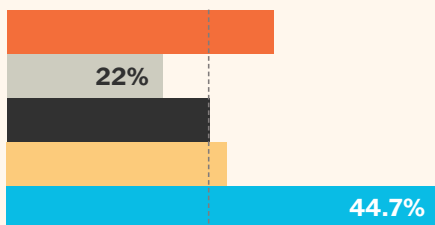
While white respondents were a relative minority in the survey sample, roughly 5%, they were more likely than any other racial group to have received raises and promotions. 47% of white respondents reported a promotion (compared to a 40% average) and 44% reported a raise (compared to a 26% average). Meanwhile, **Black respondents were less likely than any other group to have received raises and promotions, with 36% reporting a promotion and 23% reporting a raise.** Interestingly, Black respondents were on par with the average number of respondents who reported they “moved to a higher paying job,” at about 40%. Meanwhile, Latino respondents fell at about average across each of these dimensions: raises, promotions, and moves to higher paying jobs.

PROMOTION



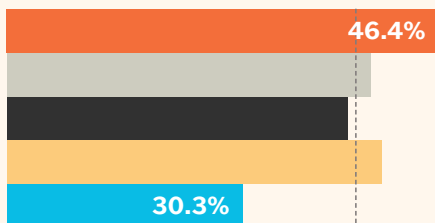
Average for all respondents 40%

RAISE (BEYOND COST OF LIVING)



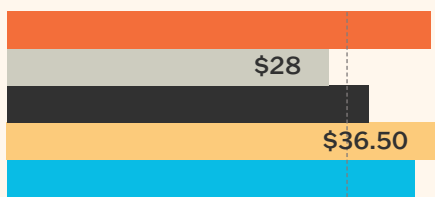
Average for all respondents 26%

MOVED TO HIGHER PAYING JOB



Average for all respondents 40%

AVERAGE HOURLY WAGE



Average for all respondents \$31

KEY

- Asian
- Black or African American
- Hispanic or Latino
- Other/Unknown
- White

Even after moving to higher paying jobs or receiving raises and promotions at average rates, Black and Latino respondents report lower average wages compared to their white counterparts. This suggests that Black and Latino respondents may be seeing lower starting wages, smaller pay raises over time, or fewer promotions over time. Either way, given all respondents are graduates of the same training program, we are seeing signs that Black and Latino employees may be undervalued once they enter the workforce. We can see in Year Up's flagship [PACE study](#) a similar pattern: Year Up's long-term earnings impacts are among the highest ever reported across all racial and ethnic groups; however, its impacts for Black and Hispanic/Latino individuals —who comprise the majority of Year Up students —are lower than those for non-Black, non-Hispanic participants. PACE researchers did find that related sociodemographic factors — namely geography, age, high school grades, and prior college experience — accounted for a portion of the wage differences between racial groups, but far from all of it. We can infer that much of the remaining difference is most likely explained by a range of systemic challenges, like smaller pay raises or barriers to promotion, faced by underrepresented talent on the job.

This reflects the unfortunate reality that bias still gets in the way. In our work with clients, we often refer to the two sides of DEI work as practice change and mindset shift. The companies that hire Year Up graduates tend to already be on practice change journeys — shifting toward a skills-based paradigm and hiring students from a workforce development program into roles that typically require degrees. Shifting mindsets within a company to facilitate an inclusive and equitable culture can be much harder, but is equally as important as changing practices. This data is a clear example as to why: even when companies have shifted hiring practices to hire historically excluded talent, bias continues to creep in and create these disparities.



EMPLOYER CHECKLIST

Inequitable wages and career outcomes are one of the most insidious ways bias can affect a workplace. In working to address this unfortunately very common challenge, employers should prioritize:

- Building a strong pay equity philosophy and annual pay equity analysis
- Equitable performance evaluation and promotion practices
- DEI training and education for all employees, especially people managers and hiring managers

FINDING #3

Employees' average wages, career growth and quality of life are all positively related.

OUR ANALYSIS:

Our data revealed a positive relationship between average wages, satisfaction with career progress and quality of life. That is, when one is high, they are more likely to all be high. Of course, this finding may seem obvious and can be difficult to analyze as there is an assumed cyclical relationship between these three things. We can assume that as individuals progress in their careers, they become more satisfied and earn higher wages. And we can assume that higher wages naturally lead to higher quality of life, which empowers people to progress further in their careers and the cycle continues.

In looking at these data comprehensively, we observe a noteworthy sweet spot: the average wage where respondents are both satisfied with their careers, and report their quality of life as "thriving." Looking at the national view, that "sweet spot" wage is \$34.10/hour.

AVERAGE HOURLY WAGE BY SATISFACTION WITH CAREER PROGRESS

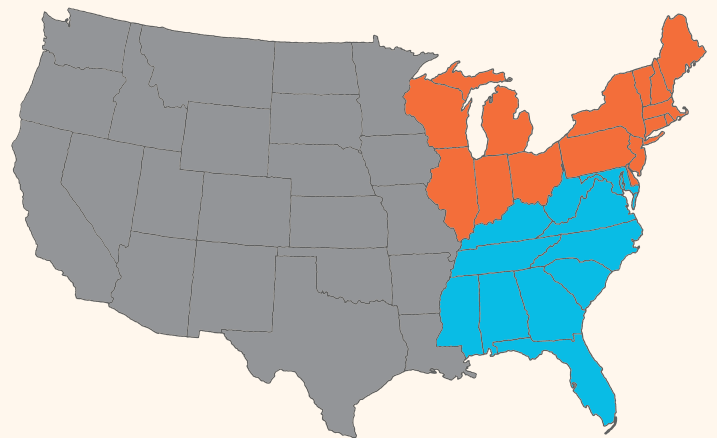
(Including Average Wages by Quality of Life)



Respondents also answered questions specifically about their financial wellbeing, offering a different lens on their quality of life. Unsurprisingly, we see significant variation in what wage respondents who say they are financially "comfortable" earn depending on region. Interestingly, in some cases, wages that individuals report enable them to be financially "comfortable" are much higher than "living wages" per common calculations like the MIT Living Wage Calculator.

AVERAGE HOURLY WAGE BY REGION AND FINANCIAL WELL-BEING

	NORTHEAST	SOUTHEAST	WEST
Difficult to Get By	\$20.30	\$18.40	\$21.70
Just Getting By	\$22.90	\$19.90	\$21.70
Doing Okay	\$28.40	\$26.60	\$31.90
Comfortable	\$37.70	\$36.60	\$44.70



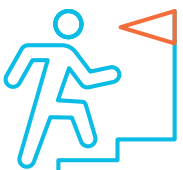
Being part of a historically excluded population, as most of these respondents are, is expensive. While common living wage calculations take into account standard basic needs, they do not consider the financial and personal costs of living on the edge. Poverty, especially the generational poverty we see in communities of color, comes with a hefty price tag in the form of inability to save, higher interest payments, and more. It follows that a standard calculation for a "living wage" would not always be enough for a person from these populations to feel "comfortable." A key tenant of anti-racism becomes relevant here: if you are not actively working against racism and racial disparities, you are contributing to them. And in this time of high turnover, explicit data about how employers can improve their employees' quality of life, which we know drives retention, is a powerful piece of knowledge.



TAKEAWAYS FOR EMPLOYERS

To improve these interrelated factors for their employees, employers should prioritize:

- Integrating a regional lens into pay equity analyses
- Ensuring employee listening tools (e.g. surveys, town halls, focus groups) include questions around quality of life and career satisfaction, and disaggregate results by race and employee pay band



CONCLUSION

Historically excluded populations face different challenges and have different needs in the workplace. By centering their voices, employers have an opportunity to build more inclusive and equitable organizations, and more strategic retention and engagement strategies. The information presented here represents just the beginning of what employers can learn from their diverse and underrepresented employees about how to build stronger, more supportive companies.

Grads of Life works to help employers implement practices and build mindsets to create equitably supportive cultures. Each of the best practices listed in the “takeaways for employers” sections above is, along with dozens of others, part of our research-based [Five Pillar DEI Framework](#) that we leverage with employer clients. To learn about your company’s strengths and opportunities for further impact, explore a shortened [demonstration version](#) of our [Opportunity Identifier](#) tool. To go deeper or to get support implementing best practices, [reach out to us](#).

ABOUT GRADS OF LIFE

Grads of Life’s mission is to break down the systemic barriers that have prevented historically excluded talent from having access to family-sustaining jobs. As a DEI consulting firm, we partner with companies to implement talent strategies, business practices and programs that create diverse, equitable and inclusive workplaces.

This report would not have been possible without the significant research, analysis, writing and editing support of Kelly Graham, associate director of thought leadership, Jessica Marcus, director of research and evaluation, and Jeremiah Prince, research and evaluation analyst.

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