GRADS of LIFE

Ten Years
of Pioneering
Progress in
the Skills-First
Movement







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Dear Friends and Partners,

I am thrilled to share Grads of Life's ten-year anniversary report, *Ten Years of Pioneering Progress in the Skills-First Movement*, an exciting account of our work toward our vision of an America where every person has access to economic opportunity and mobility. Our ambition when we founded Grads of Life was to do something that had not been done before: to catalyze an employer-led movement to end the opportunity divide in America. As I reflect on the past ten years of Grads of Life's impact, I am filled with enormous gratitude and pride because we have succeeded in so many dimensions of this pioneering work.

Today hundreds of employers are adopting skills-first talent practices, and we can confidently point to an **employer-led movement** along with an **entire new field** committed to advancing the demand-side strategy that we created more than a decade ago. We reached a pivotal moment earlier this year when Walmart held their inaugural Opportunity Summit, convening dozens of business leaders to accelerate the adoption of skills-first practices. As they implement skills-first talent management, these employers will be expanding access to opportunity for the millions of people they collectively employ. It is remarkable to witness employers proactively leading the way.

The early spark for this work came in the early 2000s when more than a dozen large employers convened to discuss their need for expanded pools of talent. Asked whether young people in need of opportunity might help address that challenge, the employers quickly assumed that because the young adults lacked a college credential, they were not part of the solution. I thought this was wrong because every system in the country had failed these young adults, and as a result they were being locked out of access to a decent job. That was the start of a journey to change the system of employment, and more specifically, to change employers' perceptions of who counts as talent, and then change employer practices at scale.

We have come a very long way since those early days. I am filled with appreciation to Year Up for being a pioneer in embracing systems change. I am deeply grateful to the employers who have stepped up to lead the skills-first movement as well as those who have trusted us to help them transform their practices, and to the many field partners and funders who are advancing this work in myriad ways. Most of all, I am enormously thankful to and always inspired by the amazing Grads of Life team: an incredibly innovative, committed and passionate group of individuals who together have driven remarkable progress.

The future is bright at Year Up United. With Ellen McClain at the helm, we are working more tightly than ever before, leveraging our internal synergies to offer holistic solutions to end the opportunity divide. While we are still a long way from skills-first talent management being the norm, we have momentum on our side and a large network of partners helping to lead this great work of changing the system of employment so that everyone who has the desire also has access to economic opportunity and upward mobility.

With my deepest gratitude,

Elyse Rosenbh

Elyse Rosenblum

Co-Founder and Managing Director, Grads of Life





Friends and Partners.

Since our founding in 2000, we at Year Up United have held an unwavering belief that equitable access to opportunity belongs to everyone. And our mission to end the opportunity divide — the divide that exists between businesses hiring needs and untapped talent — has never been more important.

I am keenly aware of how the barriers to economic empowerment and mobility can get in the way of fulfilling one's potential, which is why this work is personal to me. It is also profoundly life-changing, and achieving it requires a movement of people and multiple solutions.

For the last 10 years, Grads of Life has been stewarding the movement to establish skills-first talent management — a fundamentally more fair approach to employment, and a critical lever to ending the opportunity divide — as a norm. In a world where companies are expected to build a workforce that is inclusive and representative of the communities around them, leaning into untapped talent is good business. It is the key to staying competitive, future-proofing companies and building strong employer brands. That is why we partner with leading companies and institutions to influence and transform what talent, culture and leadership looks like. Year Up United has led the way with partnerships, communities and coalitions, and it is incredibly rewarding to see how far the skills-first movement has come.

As we look to the future, we know much work is left to be done. We are excited about continuing to lead across the workforce landscape, especially as we operate more tightly than ever before to leverage Year Up United's training, community partnerships and alumni network, Grads of Life's skills-first advisory services, and YUPRO Placement's staffing solutions and more.

United, we bring people together, and United, our strongest belief is in the good and potential of all people. United, we guide companies as they shape their approach to talent and culture.

The movement to end the opportunity divide is stronger than ever. I am deeply grateful for Grads of Life's leadership over the last decade and all of our partners in this work.

In Partnership,

Ellen McClain

Ellen McClain

CEO and President, Year Up United

INTRODUCTION

Closing the Opportunity Divide

The skills-first employment movement is here to stay.

From its inception, Grads of Life's goal has been to catalyze an employer-led movement to end the opportunity divide, the divide that exists between business hiring needs and untapped talent. Today, we can say that we have successfully sparked this movement. And we know that much work remains to be done to realize its core goal: an equitable and inclusive labor market where every American has access to economic opportunity and mobility — especially those historically excluded from it.

A rapidly growing number of employers are embracing and investing in skills-first talent management strategies that generate business benefits and drive social impact. <u>One in five jobs</u> no longer requires a degree, and <u>nearly three-quarters of companies</u>, along with <u>more than a dozen governors</u> and the <u>federal government</u>, have begun to adopt skills-first talent practices. And, importantly, large employers like <u>Blackstone</u>, <u>Delta Airlines</u> and <u>Walmart</u>, as well as several CEO coalitions including <u>OneTen</u> and the <u>Business Roundtable</u>, have put skills at the center of their strategies and convened employers to establish skills-first talent management as a norm.





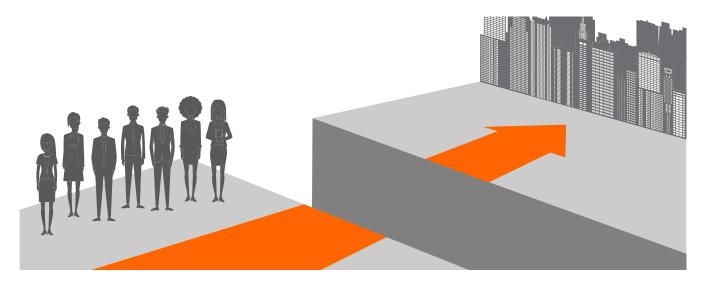
Other crucial stakeholders have also taken up the torch. Over the past several years, dozens of organizations — including the <u>Aspen Institute</u>, <u>Jobs for the Future</u> and <u>Opportunity@Work</u> — have begun to focus explicitly on building a skills-driven labor market, and others — including <u>LinkedIn</u>, <u>Indeed</u>, the <u>Society for Human Resource Management (SHRM)</u> and <u>Workday</u> — are leveraging their expertise and existing role as trusted partners to business to promote skills-first practices and contribute to a growing body of research and knowledge.

This is what a movement looks like: A diverse range of players each working to establish a new paradigm in which skills-first talent management is the norm. Together, we are reshaping the world of work, ensuring it works for everyone, not just a select few.

This report documents the central role Grads of Life has played in driving and supporting the skills-first movement over the past decade. Ten years in, our motivations remain clear: **We champion skills-first** strategies because they are the most effective vehicle for inviting employers to work toward our mission to end the opportunity divide, which keeps millions of Americans — disproportionately Black and Brown Americans — disconnected from economic opportunity and mobility while companies miss out on qualified talent.

Our History

Year Up United, Grads of Life's parent organization originally founded in 2000 as Year Up, is a groundbreaking leader of the movement to build a more inclusive and equitable America. Founded on the belief that opportunity belongs to everyone, no matter their background, income, or zip code, the organization has served more than 45,000 young adults, generating the largest impact on earnings of any workforce development program to date. Even with such impressive impact, after several years, Year Up United's leadership recognized it would never achieve its mission to end the opportunity divide without addressing the root causes that perpetuate it.



Dozens of systems contribute to the opportunity divide - from the education system to the criminal justice system to the healthcare system. When creating a systems change strategy, Year Up United evaluated where the biggest gaps were and where it had opportunity to create the most significant impact. Given the organization's credibility with the employer community as a workforce training provider and the lack of activity focused on building employer demand for untapped talent, Year Up United crafted a pioneering approach to drive impact through the system of employment.

"We founded Year Up based on a fundamental belief that talent is equally distributed, but opportunity is not. That belief has guided our success, and we are grateful to have empowered tens of thousands of talented young adults to gain access to opportunity and economic mobility. Along the way we recognized that we would need to go beyond a single program to maximize our impact. True change has to be systemic, and changing systems requires changing entrenched beliefs and behaviors. Grads of Life started more than a decade ago as a campaign to help employers see their role in closing the opportunity divide, and today we can say with confidence that a movement towards skills-based talent management has been born."

Gerald Chertavian, Founder, Year Up





In 2014, Grads of Life was launched to advance the systems change work at Year Up United. Previously, the vast majority of efforts to end the divide were focused on the supply side, which is comprised of the millions of Americans seeking access to quality jobs and economic mobility and the programs that serve them. Countless programs existed to improve everything from the K-12 and higher education systems to workforce training. Grads of Life's core philosophy was that a demand-side strategy – one focused not on preparing jobseekers for employment but rather on preparing employers to leverage and value a much more diverse range of talent — to complement the best-in-class work on the supply side was necessary to end the opportunity divide.

We focused on employers because, simply put, they control who gets the good jobs and, therefore, who has access to economic opportunity and mobility in this country. It is well understood that the employment system has always had built-in biases and practices that benefit certain demographic groups over others. Notably, the last two decades saw a rise in the practice of requiring a four-year college degree for growing numbers of roles, which has had a particularly detrimental impact. This practice is now a key driver of excluding the almost <u>60% of Americans</u> without a four-year degree from good jobs, accelerating existing inequities. When employers require a four-year degree, they unnecessarily limit their talent pool and they exclude <u>75% of Black Americans</u> and <u>more than 80% of Latinx</u> and <u>Native Americans</u>, exacerbating economic disparities.

Our founding premise was that if we could influence how employers thought about who counted as "qualified" talent, as well as their talent management practices, then employers could become powerful partners in advancing economic opportunity and mobility. We also knew that a demand-side strategy could never be successful or sustained if we did not clarify how a skills-first approach could help businesses solve critical business challenges. Since 2014, these core beliefs have guided our efforts to establish the demand-focused side of this field, build a resilient narrative that engages employers in the work, and continuously look ahead to identify what is stalling the movement and how we or others can fill critical gaps.





Driving Impact Through Influence

Measuring and describing the impact of systems change through movement building work is famously difficult. Our approach is rooted in influence: working with and through others to change the systems that limit economic opportunity and mobility for all. To create the kind of transformational change we have aspired to, the small but mighty Grads of Life team has often worked through others with broader reach and bigger platforms than our own. This report frames our impact over the past decade by exploring the ways we have influenced the field, individual employers, and the employment system to catalyze the skills-first movement.

"Grads of Life started as an influence strategy—we knew we could have an outsized impact on closing the opportunity divide only if we worked with and through others," said Shawn Bohen, Grads of Life co-founder and former Chief Transformative Impact Officer at Year Up. "We had a moment of clarity when we realized it was imperative to change the perceptions, practices, and policies that keep the divide in place, and I am incredibly proud to see the progress that has been made on all fronts since. It is amazing to know that our deep and ongoing belief in the power of partnership and influence helped lay the groundwork for what is today the skills-first movement."

When Grads of Life and our influence strategy began, we defined a few milestones that would let us know our work was having its intended (albeit somewhat nontraditional) impact:

- A field focused on the demand side of the opportunity divide would exist
- A CEO flywheel a group of visionary leaders using their influence to spur momentum and establish skills-first practices as a business imperative — would emerge
- · Large consulting firms would be offering services around skills-first practices
- Large employers would be implementing skills-first practices at scale





Today, each of these markers of success have come to fruition.

A robust field of organizations exists to advance the demand-side of this work, driving awareness and adoption of skills-first talent practices. The CEO flywheel is in motion, animated through the ongoing work of several CEO-led organizations — including **OneTen**, the **Business Roundtable's Multiple Pathways** Initiative, and NYC CEO Jobs Council — which have brought a new level of credibility, stability, and momentum to the movement. Prominent firms including Accenture, Bain & Company, Deloitte, and McKinsey have incorporated skills-first talent advising into their consulting practices.

The final mark of success is still a work in progress, but employers in both the public and the private sectors are now working to implement skills-first practices at scale, many with support from Grads of Life's advisory team. When large employers adopt skills-first talent practices, they make change at a scale that affects tens of thousands of people at a time. While we certainly would not claim direct "credit" for these numbers, we are confident that our efforts do support this magnitude of change and reflect our dedication to creating an impact far beyond our immediate reach.

Ultimately, our influence-driven strategy connects back to our founding belief that lasting change would come if we could change how employers think, and how they act. Achieving these bold goals would require a complex and coordinated set of activities, rooted in influence. All of our work over the last decade has fundamentally served to change entrenched mindsets or change outdated practices in order to establish skills-first talent management as a new standard among employers.

INFLUENCE IN ACTION

Changing Mindsets

Changing entrenched mindsets is fundamental to building any movement. For behaviors, practices, and eventually norms to shift, individuals must first think differently. Grads of life began as a broad effort to get employers to think differently about who constitutes talent, and to encourage employers to see people without four-year degrees - graduates not of college, but of life as economic assets.

Created in partnership with the Ad Council as their first ever business-focused initiative, the Grads of Life PSA campaign was unveiled at the 10th Annual Meeting of the Clinton Global Initiative in 2014. As Secretary Clinton noted in her introduction, Grads of Life was "the first effort to drive employer demand for the millions of low-income young adults that are a huge source of untapped talent in our country." Through TV, outdoor, radio, digital, and print ads, the campaign highlighted the potential of young, diverse talent who, despite lacking college credentials, possessed the skills, experience, and motivation to excel in the workforce. And, importantly, the PSA featured an employer who missed out on great talent because their traditional recruiting norms screened out individuals who lacked a four-year degree.

The **7 Second Resume** campaign built on the insight that hiring managers spend an average of seven seconds reviewing a resume, and in that short time they rely on a four year degree as a screening tool. The campaign featured hyperconcise video "resumes" that illustrated the wide range of competencies and skills individuals



The Grads of Life PSA campaign pioneered the message that employers miss out on valuable talent when they use a four-year degree as a screen, and elevated the stories of skilled and motivated young talent who were excluded from quality jobs.

The PSA was viewed more than one billion times, increasing general awareness about the possibilities of hiring untapped talent by 12% from 2014 to 2017.

possess based on their life experiences. Through the campaign, we encouraged talent to consider their core strengths and skills that might not appear in the traditional resume format — like grit, motivation and ambition — but are highly valued by employers. The campaign opened employers' eyes to the talent that had been hiding in plain sight and began to raise awareness about the benefits of what is now known as skills-first hiring. Companies like Swiss Post began adopting the seven-second video format within their own recruitment processes, and Jeff Weiner, then the CEO of LinkedIn, crafted his own 7 Second Resume.





Through these campaigns, we recognized the value of speaking directly to employers, crafting messages that appeal specifically to them and disseminating those messages through the channels they are likely to frequent. In order to increase our reach, we partnered with Forbes to launch a Forbes BrandVoice blog, where we maintain a steady drumbeat of content that continues to push employers' thinking about talent and talent management. The Grads of Life blog remains active to this day as a foundational piece of our ongoing narrative change work, and

has been viewed over 3.5 million times since its inception.

To mark its 100th anniversary,
Forbes honored "a diverse selection of non-profit organizations that have made the commitment to impact, improve, and/or protect our communities, nation, and world over the next 100 years."
Grads of Life was proud to be one of the featured organizations.

As we consider the broad field that has flourished in the past decade, we are encouraged that other organizations have entered the space, building on and taking narrative change work to the next level, as Opportunity@Work has done through their award-winning Tear the Paper Ceiling campaign. We are proud to partner in this effort, which has dramatically expanded the conversation, and in particular has played a major part in more than 20 states joining the movement. "From its seminal Dismissed by Degrees report to its 7 Second Resume campaign, Grads of Life has played a crucial role in building the skills-first movement we see today," said Byron Auguste, co-founder and CEO of Opportunity@ Work. "Opportunity@Work is proud to have Grads of Life as a key partner in the Tear the Paper Ceiling coalition to spark awareness and action for the skills-first movement to open up opportunities for the 50% of U.S. workers who are STARs—skilled through alternative routes."

Today, our ongoing mindset change work is informed by deep consulting engagements with employers, and it has evolved to prioritize shifting the mindsets of individuals within organizations who have an outsized impact on the success of a skills-first transformation.

Through work with employers on skills-first implementation, we have observed that even when senior leaders formally adopt skills-first strategies at a company, the transformation stalls if hiring managers, as the ultimate executors of these strategies, do not understand the value and imperative of updating outdated practices that leave skilled talent on the sidelines. Mindset change at the individual level is critical for any company to achieve a meaningful skills-first transformation.

To support this level of change, Grads of Life deploys trainings specifically designed to help hiring managers embrace a skills-first mindset. Additionally, we leverage a "train the trainer" model that equips internal leaders with the tools, resources, and knowledge they need to incorporate and deliver skills-first training across their workforces. We also offer tactical trainings on a range of other relevant topics including racial equity and change management. **To date, we have delivered trainings to over 60 employers including Eli Lilly and Company and PSG Equity.**

▲ DELTA

Delta Airlines

IMPACT SPOTLIGHT

Delta, a US-based airline with 60,000+ entry level employees, sought to implement best practices for managers supervising entry-level team members from under-represented backgrounds.

Grads of Life delivered a training series to five cohorts of Delta's hiring managers to build competencies around a skills-first talent culture. The program included sessions on the business and social impact of a skills-first approach, tactics for effective skills-first hiring, and inclusive management strategies.

Participants reported a high degree of satisfaction with Grads of Life's intervention, assigning an average score of 4.5/5 for the series. Over 96% of participants reported they were "very confident" or "extremely confident" in their ability to articulate the importance of skills-first hiring after participating in the program.





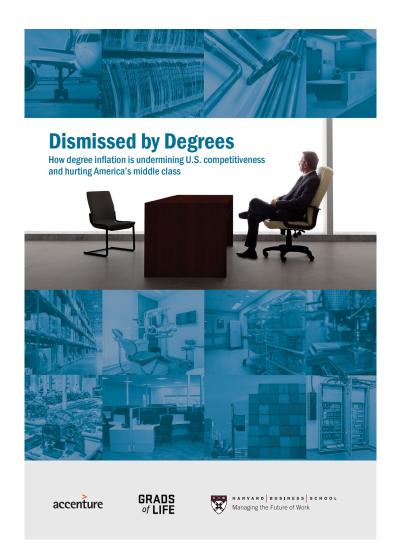
And to ensure hiring managers and other individual leaders at organizations everywhere can benefit from our expertise, we partnered with LinkedIn Learning to launch our Skills-First Talent Acquisition course in 2023.

"Over the last decade, Grads of Life has led from the front in the shift to a skills-first approach to talent," said Aneesh Raman, Chief Economic Opportunity Officer at LinkedIn. "Their efforts have influenced major employers to think differently about human potential and their impact has been felt far and wide by professionals who were previously locked out of opportunity, despite bringing all the right skills and abilities. Over the next decade, this work is about to become even more critical as AI brings massive changes to every single job — changes that mean all organizations will need to adopt a skills-first mindset to stay competitive."

Of course, there is not one singular, universal way to shift mindsets about talent or new approaches to talent management. However, we know that in business, data is critical to making any lasting change. To support broad systems change, we would need to demonstrate a solid business case for employers to update deeply entrenched talent practices, in addition to changing the narrative about talent. To advance a relevant and rigorous research effort, we were fortunate to establish a project with partners at Harvard Business School's **Project on** Managing the Future of Work and Accenture, both of whom had aligned interest and relevant expertise.

Together, we launched an ambitious research study to understand more about the prevalence and impact of employers' growing reliance of the four-year degree as a screening tool. The result was **Dismissed** by Degrees, the first report to reveal the true cost of degree inflation for businesses — and for the millions of Americans whose access to gainful employment was obstructed. Advocating for a shift to skills-first practices, the report became a touchstone in the field and remains a frequently cited resource in outlets ranging from the Financial Times to the Washington Post.

Dismissed by Degrees made clear that relying on four-year degrees as a proxy for skills screens out otherwise qualified talent, is bad for business, and perpetuates the opportunity divide. With these compelling findings, Dismissed by Degrees helped catalyze the skills-first movement and define the business case for eliminating unnecessary four-year degree requirements.



Dismissed by Degrees

Co-authored with partners at Accenture and Joe Fuller, head of the Managing the Future of Work initiative at Harvard Business School, Dismissed by Degrees is recognized as the groundbreaking research that established the importance of eliminating unnecessary degree requirements by demonstrating that the practice limits access to good jobs, particularly for people of color, and harms businesses' bottom lines. Key insights included:

- 60% of employers rejected qualified candidates, who had appropriate skills and experience, simply because they did not have a college degree.
- 69% of employers believed non-graduates are equally or more likely than college graduates to be productive in middle-skill roles.
- Employers pay a wage premium of 11-30% for college graduates over those without degrees despite believing both are equally productive.
- 71% of employers believe non-graduates have equal or higher rates of retention.





INFLUENCE IN ACTION

Changing Practices

While mindset change is a powerful lever, changing how people think is only one half of the equation. For the skills-first movement to generate tangible outcomes and have staying power, employers must significantly change how they find, hire, train and advance talent.

Grads of Life works to change how employers operate — and therefore solidify the movement — by codifying best practices, building groundbreaking tools, and engaging in deep skills-first strategy and implementation work with employers and employer coalitions. We have become trusted consulting partners to employers, serving as close advisors to our clients' HR teams as they do the hard work of transforming their talent practices. Playing this role with large employers epitomizes our influence strategy: it enables us to drive change and impact at scale as practice changes affect thousands of employees at once, and to learn about employers' innovations and challenges. We can then leverage this unique position to amplify what works and find or create solutions to common barriers.

"Our partnership with Grads of Life was instrumental as we launched our Pathways Program in 2018 with a focus on hiring teammates from low-and-moderate income communities. This effort continues to thrive as part of our commitment to ensuring that our employees reflect the communities we serve."

Christie Gragnani-Woods

Senior Vice President of Global Talent Acquisition at Bank of America

BANK OF AMERICA

"Over the last several years Merck has been on a journey to integrate Skills-First hiring into our talent acquisition processes. We were early adopters of this work because, despite it being challenging and complex, we recognize its critical importance and have seen it pay off already. Grads of Life has been a key partner in helping us learn, strategize, and implement changes as we've moved along our journey."

Beth Keeler

Vice President of Global Talent Acquisition at Merck



Codifying Best Practices

Grads of Life has played a central role in defining what an equitable and inclusive approach to talent management actually looks like for employers by describing how their HR and management practices need to change in order for them to contribute to economic opportunity and mobility and see concrete business benefits. Working in partnership with Bain & Company, we conducted a comprehensive literature review to publish Ten Proven Actions to Advance Diversity, Equity and Inclusion, a definitive set of research-based best practices, which today serves as the foundation of an actionable roadmap for skills-first employers.

We developed our Skills-First Talent Management Roadmap to guide employers on their skills-first journeys and to drive change at scale by sharing it far and wide.



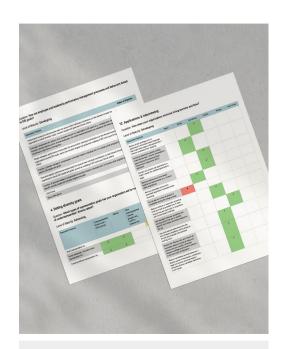
Focus on **metrics** and measurement

Building Groundbreaking Tools

Transforming an organization's approach to talent management is complex and challenging work. Even when best practices are understood, their implementation can present another challenge entirely. To support as many employers as possible, Grads of Life draws upon our skills-first expertise and our insights from deep consulting engagements to create scalable tools that empower employers to make meaningful changes.

Over 200 employers have leveraged our tools to make tangible progress on their skills-first journeys. Grads of Life's tools include:

- The Opportunity Identifier™: Based upon the best practices we codified in partnership with Bain & Company, we use this detailed diagnostic tool to create customized implementation roadmaps for employers. By identifying specific strengths and gaps in existing policies, it helps organizations enhance their skills-first and inclusive talent practices, enabling organizations to attract, retain, and advance diverse talent. The Opportunity Identifier has been an instrumental input to more than 50 companies' DEI and skills-first strategies, including Cleveland Clinic, Ancestry, and Merck.
- The Skills-First Navigator™: Like the Opportunity Identifier, the Skills-First Navigator is a detailed diagnostic tool that enables employers to understand their skills-first maturity and prioritize their efforts. Dozens of companies including **United Airlines** and **Allstate Insurance** — have used the Skills-First Navigator to gain a deeper understanding of the myriad practices that go into a comprehensive skillsfirst approach, and hone in on those that will best support their goals and drive impact at their companies.
- The Skills-First Accelerator[™] (previously called the Occupation Review): The Skills-First Accelerator is powerful data analysis tool that leverages labor market data and internal employer data to identify roles where organizations can remove four-year degree requirements, tap into new external talent pools, and enable skills-first internal career pathways. Dozens of companies including Samsung America, Trane Technologies and Great Wolf Lodge have leveraged insights from this tool to support their skills-first transformations.







Working Directly with Employers and Employer Coalitions

We continuously gather meaningful insights through our deep engagements with employers. Only by partnering closely and doing this work arm-in-arm with employers are we able to understand the efficacy of certain tactics, as well as where there are gaps, barriers, and opportunities to advance the movement. As we learn, we disseminate that knowledge through our mindset change strategies and use it to inform our tools and services.

"Grads of Life has had an incredible impact on the skills-first movement. In the early days, when most conversations were focused on job seeker solutions, Grads of Life asked what could be possible if we centered employer practice change," said Abbey Carlton, Vice President of Social Impact at Indeed. "The skills-first movement would not be where it is today without the leadership, vision, and commitment of Grads of Life. They've brought tools and strategies to that table that help employers meet and exceed their talent goals and help close the opportunity divide for millions of qualified indeed workers in the United States."



Weill **Cornell** Medicine

IMPACT SPOTLIGHT

Engagement powered by OneTen

Weill Cornell Medicine, a leading academic medical institution, was committed to a skills-first approach to talent management but was having difficulty getting internal teams started on making the necessary changes to drive this work forward. They sought to build an implementation strategy that was incrementally achievable.

To bring clarity to Weill Cornell's current state and provide insights informing a strong foundation from which they could build out a skillsfirst strategy, Grads of Life deployed two proprietary diagnostics. The **Skills-First Navigator**™ assessed key areas of strength and opportunity for advancing skills-first talent practices, while the Occupation Review* identified high-need and high-volume roles, optimal for re-credentialing and career pathing.

Through the **Skills-First Navigator**™, Weill Cornell gained clear insights into their areas of talent practice leadership while providing them with tangible next steps for improvement in others. The Occupation Review's* high-level data showed them where to focus their recredentialing efforts to target roles that are not at risk of automation and have the greatest opportunity for skills-first hiring. Data on the potential for successful transitions from adjacent occupations led to greater buy-in for their skills-first hiring approach, which will ultimately help them build a more knowledgeable and skilled workforce.

*Now called Skills-First Accelerator

ONE TEN

65 member companies

Over 5 million employees

100K+ skills-first hires and promotions to-date

30 talent developer partners

"At OneTen, we know a skills-first approach to talent management is the way to a more equitable and inclusive workforce," said **Debbie Dyson, CEO of OneTen.** "In working closely with our 65 member companies, we see the promise and progress of this work every day, with more than 120,000 people without four-year degrees hired or promoted into family-sustaining roles across the coalition. Grads of Life has been an invaluable partner to us from the beginning, and their continued partnership helps us support our members in their efforts to adopt skills-first talent practices and advance the broader movement."

Our strategic partnerships with leading employer coalitions and private equity firms have positioned us to partner with, and learn from, significantly more employers. <u>OneTen</u> was the first business coalition to prioritize employer practice change as a means to advance economic opportunity and mobility in the country. Many of the most prominent employer leaders in this movement are OneTen members, and, as a collective, the coalition has made powerful progress since its founding in 2020.

We are honored to have worked closely with OneTen since its inception, serving as a trusted thought partner, offering our tools and services to their members, and designing and facilitating peer learning and collaboration. These peer learning sessions are comprised of working groups and communities of practice - each focused on targeted groups ranging from hiring managers to CHROs and CEOs. Areas of focus have included skills-first hiring, racial equity, the retention and advancement of underrepresented talent, and more. The CEO and CHRO communities of practice have been particularly groundbreaking. For the first time, senior leaders of major organizations have an intentional forum to learn, collaborate, and ideate around skills-first strategies, representing a new level of credibility and permanence for the movement.





IMPACT SPOTLIGHT

Engagement powered by OneTen

During its onboarding process with OneTen, United Airlines, Inc. partnered with Grads of Life to assess the organization's equitable talent management maturity and to identify opportunities to expand skills-first talent practices. Utilizing these new insights, United crafted a robust DEI strategy and identified an opportunity to implement skills-first hiring practices to expand the volume, equity, and inclusion of the organization's talent pipeline.

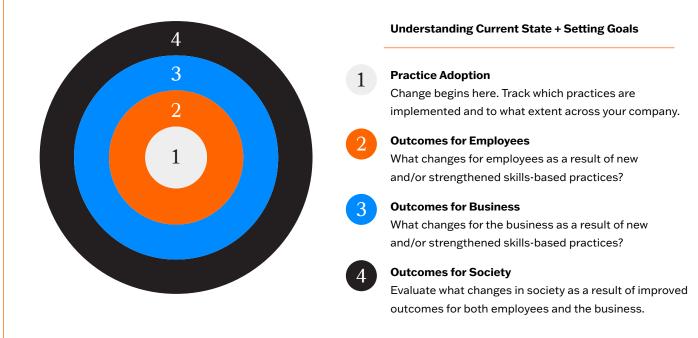
As a benefit of membership in OneTen, Grads of Life supported United in developing and implementing a skills-first hiring pilot, which involved recredentialing select priority roles, updating the hiring process with comprehensive skills-first tools, and training hiring managers and recruiters.

The pilot initiative laid the foundation for a more inclusive and equitable hiring process across the organization.

The Business Roundtable — a longstanding, well-respected CEO membership organization — has also emerged as a leading coalition focused on skills-first practices through their Multiple Pathways Initiative (MPI). Our partnership with MPI led to the co-development of the Impact Measurement Framework (IMF), a detailed set of metrics designed to help employers evaluate the effectiveness and value of their skills-first efforts. Leading employers from the group — including IBM, American Express, and Vistra — lent their expertise to the development of this framework, which has laid the groundwork for rapidly growing exploration of the tangible value of skills-first strategies.

Impact Measurement Framework for Skills-First Practices

Measuring outcomes across each of these dimensions will provide a robust picture of progress toward your skills-first goals.



Since the initial creation of the IMF, we have launched the <u>Skills-First Impact Measurement Action Cohort</u>, to support employers from both MPI and OneTen with the process of collecting and analyzing impact data, and built tools to assist companies in engaging with the framework. We are committed to capturing and distributing the learnings from this cohort to enable employers far beyond our immediate reach to measure the value and return on investment of their skills-first efforts.

"Business Roundtable member companies have increasingly recognized the importance of moving to a skills-first approach to talent management over the last several years, and we are proud of our role in advancing our members' leadership through the Multiple Pathways Initiative," said Dane Linn, Senior Vice President of Corporate Initiatives. "Talent remains a top issue for our CEOs, and our work to advance adoption of skills-first talent management practices is critical in their efforts. When we needed

an expert to lead our MPI working group on metrics, Grads of Life worked with member companies to create a metrics framework that has had lasting value and created a lot of momentum for the skills-first movement. We value our partnership with Grads of Life, as well their longstanding leadership to catalyze and grow the skills-first movement."

Beyond working with coalitions, we have also had the opportunity to partner closely with private equity firms in order to reach many employers — their portfolio companies — at once. Private equity-owned companies constitute a significant portion of the economy and, as a result, the workforce, with nearly 12 million Americans employed in the sector.

For example, we partnered with Blackstone, which through its over 230 portfolio companies employs nearly 700,000 people worldwide, to design their <u>Career Pathways</u> initiative. We are delighted that Blackstone has emerged as a vocal leader in the skills-first movement, and are particularly encouraged that Blackstone is leveraging our Impact Measurement Framework to evaluate business and employee impacts as their portfolio companies adopt skills-first practices.

Blackstone

IMPACT SPOTLIGHT

Blackstone Career Pathways[™]

Blackstone, a leading private equity firm, partnered with Grads of Life to help develop its signature Blackstone Career Pathways[™] initiative for portfolio companies. The program provides portfolio companies with the tools and resources to recruit, retain and advance employees from untapped communities.

To bring Career Pathways[™] to life, Blackstone collaborated with Grads of Life to design the program's key strategic activities and KPIs and develop critical implementation playbooks. Grads of Life has continued to support portfolio companies — including Great Wolf Lodge, Alight, and Ancestry — in assessing their practices and identifying re-credentialing and upskilling opportunities.

"Across Blackstone <u>Career Pathways</u>" we have partnered with more than 55 of our portfolio companies to embrace skills-first practices that foster the recruitment and advancement of talent from historically untapped communities," said <u>Courtney della Cava</u>, <u>Senior Managing Director and Global Head of Portfolio Talent</u> <u>& Organizational Performance</u>. "To date, Blackstone portfolio companies have hired more than 10,500 individuals from a broad set of backgrounds, including extraordinary talent without four-year college degrees. We are committed to supporting our portfolio companies in their efforts to adopt skills-first talent practices because doing so makes our companies stronger and creates lasting value for our investors. From our program's inception in 2020, Grads of Life has been and continues to be an instrumental thought partner, a greatly valued collaborator and a fellow change maker."

LOOKING AHEAD

Cementing An Employer-Led Movement

Earlier this year, we recognized a critical milestone. A wide array of policymakers, workforce organizations, and major companies convened for a series of skills-first events in Washington, DC. Perhaps most notable for our work at Grads of Life, Walmart held an **Opportunity Summit**, with their CEO, CHRO and other senior leaders convening representatives from Accenture, Blackstone, Home Depot, McDonald's, and Verizon to discuss the critical importance of skills-first talent management. This is a remarkable shift from a decade ago — and in many ways it is the realization of Grads of Life's initial mission. **This movement is now truly employer-led.**

This development is not a coincidence. It is the result of an intentional, concerted effort by many to reframe the conversation and establish new norms in the private sector—an effort that Grads of Life is proud to have catalyzed and cultivated over the past 10 years.





"Grads of Life has played a vital role in helping create a skills-first workforce system for the past decade," said <u>Julie Gehrki, Walmart Foundation President</u>. "<u>Walmart.org</u> is proud to have invested in their work to measure the impact of skills-first practices, which has helped galvanize the broader buy-in we're now seeing. We're excited to see the continued impact we can make to create more opportunities for millions of American workers, help businesses fill talent needs, and ultimately lift the U.S. economy."

Of course, substantial work still lies ahead. While a <u>rapidly growing number of businesses</u> now recognize the importance of skills-first talent management strategies, the next challenge is to translate that recognition into the implementation of skills-first practice at scale. As we have learned over a decade of helping companies navigate this shift, the work of transitioning to skills-first talent practices is complex and requires time and dedicated change management. While much progress has been made over the past decade, most employers are still relatively early in their skills-first transformation journeys, as was made clear in a <u>recent report from Burning Glass and Harvard Business School</u>. Based on our engagements as a trusted partner to many committed employers, our sense is that — as is the case with any other business transformation — these changes require sustained effort over time, and that the ongoing work today will yield big results in the coming years.

We also anticipate that employers will continue to step into the leadership of the skills-first movement. As this shift progresses, we remain committed to providing the support and guidance that our partners across the business and nonprofit sectors have come to rely on over the past decade and are as dedicated as ever to advancing and expanding the skills-first talent movement. We will continue to change mindsets by leading the conversation through ongoing thought leadership, forming catalytic partnerships, and elevating innovative approaches. And we remain steadfast in our work to establish skills-first talent management as a norm through our commitment to providing exceptional implementation support and designing new tools to help businesses design, roll out, and measure the impact of their skills-first strategies.

Over the next period, as part of Year Up United, Grads of Life will focus on several topics to accelerate the skills-first movement at scale.

Return on investment. As the movement continues to mature, the need to quantify and articulate the value of skills-first-talent practices on business outcomes grows increasingly urgent. Already we know that skills-first practices result in measurable business value such as 10 times broader talent pools or marked increase the proportion of women candidates in fields where they are underrepresented and that skills-first employers are 107% more likely to place talent effectively and 98% more likely to retain high performers, there is still much more to learn about the true costs and benefits of this work. We at Grads of Life are eager to uncover new insights about the "business case" for skills-first practices and cement them as a new talent management paradigm.

As long time Grads of Life partner and collaborator <u>Joe Fuller, Professor of Management Practice at Harvard Business School</u>, puts it: "Companies accept the logic of skills-based hiring, but that embrace has resulted in a modest amount of actual progress. The only solution is to demonstrate to employers the economic benefits of change in a robust, testable and ultimately authoritative way. Hence the criticality of establishing a clear and intuitively compelling means for assessing the ROI of skills-first practices. No better partner to pursue that mission with than Grads of Life."



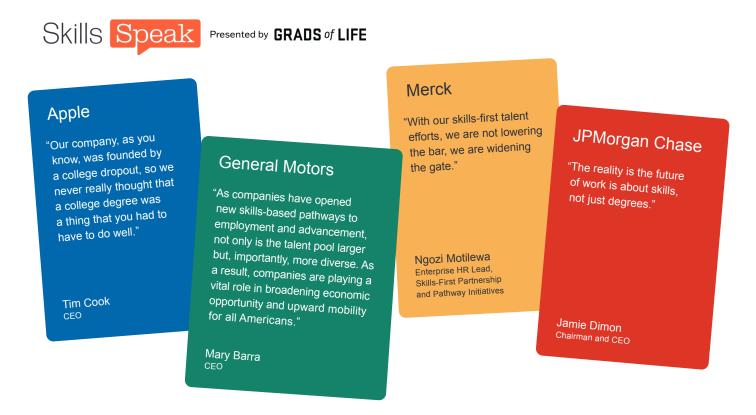


Employer change management. To complement a stronger understanding of the ROI, we also recognize the ongoing need for deep employer support, particularly around change management. At this stage of the movement, while we have seen tremendous progress in the adoption of skills-first practices at leading employers, we have also begun to see many employers getting stuck as they work to scale their initial skills-first efforts across their organizations. We are hearing across the board that supporting hiring managers, in particular, with the shift is a significant barrier, and we are committed to creating solutions that will allow employers to scale their skills-first strategies efficiently.

Narrative change. Finally, staying true to our roots, as we look ahead to the next 10 years, we are committed to continuing to shape the narrative of the skills first movement. Storytelling is a powerful way to accelerate action and there are many employers with stories to tell.

New this year, our latest effort to advance a narrative that compels employers to put skills-first is based on the insight that peer to peer messaging is particularly impactful for employers. Skills Speak serves as a hub of testimonials directly from leading employers sharing the value of a skills-first approach in their own words. The testimonials featured on Skills Speak come from the public domain – at this point in the movement, business leaders are frequently and publicly evangelizing the value of skills-first strategies. We saw a unique opportunity to collect and organize these statements to demonstrate the strength of the movement and continue to accelerate it.

The platform invites more employers into the movement by amplifying success stories and giving individual skills-first champions a resource as they make the case for skills-first practices more broadly at their organizations.



We look forward to growing the Skills Speak platform so that it can continue to support a broad narrative about the meaningful value skills-first practices create for businesses.

In addition to these specific priorities for Grads of Life, we are excited to contribute to a broader set of Year Up United goals. Operating as Year Up United creates the opportunity to leverage the powerful experience and expertise across the organization — from the original Career Pathways job training program to our Talent Networks solutions to YUPRO Placement — to cohesively address challenges on both sides of the opportunity divide. We see tremendous internal synergies that we can maximize to drive even greater impact toward ending the opportunity divide over the next decade. Exciting opportunities at the top of our minds include:

Expanded research and thought leadership. Across Year Up United, we have a wealth of unique data that we can analyze to generate critical insights about the relationship between young adults' access to economic opportunity and mobility, and skills-first talent practices and inclusive employment.

Broadening our employer communities of practice. Year Up United has a long history of being a key partner to the private sector, as a talent provider via our Career Pathways program and YUPRO Placement and as a strategic advisor through Grads of Life. Bringing these relationships and areas of expertise together, we will work to create new communities of practice that cover a wider range of topics with a wider set of employers.

Scaling products and services. To address challenges on both sides of the opportunity divide, we as Year Up United will scale our products and services for employers and, through our Talent Networks solutions, for community colleges and training providers. For example, we are excited to scale Career Labs, our career-building skills curriculum, alongside our skills-first manager training to prepare young adults all over the country for professional careers and to prepare managers at businesses everywhere to effectively hire, retain and advance untapped talent.







In Conclusion

Our movement has come a long way in the last ten years. We are gratified by the progress and look forward to continuing to do our part to strengthen it.

In a rapidly changing economy, embracing and advancing skills-first talent management has in many ways never been more important. For organizations committed to shaping a more equitable future, the path forward is clear. Employers and supporting partners must remain focused on implementing skills-first transformations and amplifying the value of building skills-first organizations. And funders must continue to support the scalable, systems-level strategies that will ensure skills-first talent management becomes an established norm.

To all our colleagues at Year Up United, the small but mighty Grads of Life team, and all our partners in the field, we are deeply grateful. We are inspired every day to know that each of us is contributing to this complex movement in unique and valuable ways. Together, we are advancing a powerful vision: A country where every person has access to economic opportunity and mobility.