Letters of Recommendation for Youth Employment in the United States

Researchers:

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Sector(s): Labor Markets

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Sample: 43,409 youth

Target group: Job seekers Students Urban population

Outcome of interest: Dropout and graduation Employment Mortality Sentencing and incarceration Crime

Intervention type: Information Social networks

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Research Papers: Information Frictions and Skill Signaling in the Youth Labor Market

Partner organization(s): New York City Department of Youth and Community Development

Multiple studies have found that summer youth employment programs (SYEPs) can reduce youth rates of violent crime, incarceration, and premature death. However, these studies have not found evidence that SYEPs lead to improvement in employment outcomes after the program on average. Researchers partnered with SYEP employers to create personalized letters of recommendation for SYEP participants to evaluate the impact of recommendation letters on participants' educational and employment outcomes after the program. Youth who received the letter of recommendation saw a 3 percentage point increase in employment in the first year after SYEP participation and, over four years, made $545 more than those who did not receive letters of recommendation.

Policy issue

A large body of research indicates that employment during adolescence and young adulthood affects employment and wages for decades. Early work experience is generally associated with better future employment outcomes, potentially because it develops skills, a job history, and connections to employer networks.[1], [2], [3], As a result, many policymakers are interested in addressing the fact that, in the late 2010s and early 2020s, youth employment rates in the summer—when teenagers are most likely to be working— hovered at or near a sixty-year low.[4], Unemployment rates are particularly pronounced for youth of color,[5], who may have fewer employment opportunities due to decades of exclusionary racial policies and practices.[6] Summer youth employment programs (SYEPs) have sought to create new opportunities for youth who face barriers to employment. However, previous randomized studies have demonstrated limited effects on employment outcomes after the summer program.

It is possible that SYEPs do not improve future employment outcomes because there is a mismatch between employers' beliefs about SYEP participants and participants' actual skills. For example, employers might screen out SYEP participants before the interview stage because they may not understand what youth learned in SYEPs, may discriminate against those who participate in these programs, or may have more negative beliefs in general about youth who may be likely to participate in these programs.

To explore these dynamics, researchers evaluated the impact of providing personalized letters of recommendation from SYEP employers for participants to use in conversation with potential future employers, guidance counselors, and teachers.

Context of the evaluation

Researchers partnered with New York City's Department of Youth and Community Development (DYCD), which runs the country's largest SYEP. The program provides New York City youth with up to six weeks of paid employment in July and August. Anyone between the ages of 14 and 24 who lives within the five boroughs of New York City and meets the work eligibility requirements can apply. Participants work in entry-level jobs in a variety of industries. Those in the study were limited to a subset of SYEP participants who had both youth and employer contact information on file, and whose supervisors responded to a personalized survey about the youth they oversaw that summer. In total, 43,409 youth from programs in 2016 and 2017 were included in this evaluation.



Image of black text "letter of recommendation" on white background

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Details of the intervention

Researchers conducted an evaluation to determine the impact of providing letters of recommendation to SYEP participants on employment and education outcomes. Youth SYEP participants were randomly assigned to an intervention group and a comparison group of equal size.

- All youth in the **treatment group** were eligible to receive a letter as part of the program. Supervisors were asked to provide an overall rating of their performance and were asked other survey questions about the youth's performance (generating information that could be included in a letter). The research team then generated letters of recommendation for those in the treatment group who received at least two positive ratings in the survey and had supervisors who wanted to provide a letter of recommendation on their behalf. Each letter included details of the work placement as well as a description of the participant's specific strengths. Youth were then sent electronic and hard copies of the letter. They were encouraged to use the letter in future job applications and to show letters to teachers and guidance counselors.
- Those in the **comparison group** were not eligible to receive a letter as part of the study. Supervisors were only asked to provide an overall rating of their performance from their supervisor but did not receive a letter of recommendation.

In addition to receiving letters of recommendation, a subset of participants were randomly assigned to receive an invitation to apply to a job posting. This allowed the research team to measure the impact of the letters of recommendation on SYEP participants' job-seeking behavior by observing the application rate. It also allowed them to observe the percentage of youth—in both the treatment and comparison groups—who used the letter of recommendation in their job applications.

In order to determine the effects of providing youth with a positive letter of recommendation on labor market outcomes, researchers examined youth outcomes in official records on employment over a three-year follow-up period, as well as educational outcomes.

Results and policy lessons

Letters of recommendation improved employment outcomes. Receiving a letter of recommendation slightly delayed, but did not stop, high school graduation by temporarily pulling youth into the labor market.

These findings indicate that letters of recommendation may be a useful tool to bridge the gap between employers' beliefs about youth applicants and applicants' actual skills.

Labor Market Effects:

Letters of recommendation led to an increase in employment, earnings, and length of time employed for youth who received them. Likely, employers used the letters to identify those who they expected to be highly productive employees, but who might not otherwise be noticed in the hiring process.

Youth who received the letter of recommendation saw a 3 percentage point increase in employment (compared to a 70 percent baseline employment rate) in the first calendar year after SYEP participation. While the increase in employment was still positive over two years after SYEP participation (2 percentage points), it was slightly lower than the one-year increase alone. This indicates that the employment effects of receiving a letter of recommendation fade out over time, as almost all youth in the control group were likely to also eventually work in the formal labor market.

In addition to increasing the employment rate among participating youth, the letters of recommendation led to an increase in earnings outcomes after SYEP participation. Over four years, those sent letters made $545 more than those in the control group (who made $26,852 total). Those who received the letters found jobs sooner and worked for slightly longer than those who were not sent letters, suggesting that the letters help to shorten the job search process.

Education Effects:

Receiving the letters of recommendation slightly delayed, but did not stop, high school graduation by pulling youth into the labor market. This shift was especially concentrated among students with below-median GPAs, reflecting that it is students struggling in school who were most at risk of having their educational attainment delayed by an increase in work. The letters of recommendation had no significant impact on student performance in school.

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4. Bureau of Labor Statistics. 2018. “Employment and Unemployment Among Youth - Summer 2018.” News Release. Accessed October 29, 2018. https://www.bls.gov/news.release/pdf/youth.pdf

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6. Solomon, Danyelle, Connor Maxwell, and Abril Castro. 2019. "Systematic inequality and economic opportunity." *Center for American Progress*