Supporting the Successful Transition of Young People of Color into the Workforce

2022 Report & Workforce Recommendations
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Supporting the Successful Transition of Young People of Color into the Workforce

PART 1

Introduction & Rationale
PART 1 - Introduction

We began with a question: What are the mental health impacts young people of color face as they transition into the workforce?

The Steve Fund surveyed young people of color in the workforce and uncovered a strong correlation between the challenges employers face and the needs of young employees of color. This report highlights key findings and recommendations to:

- Equip employers with insights into the experiences of young people of color as they transition into the workforce and start their careers
- Empower employers to further recruitment, retention and wellness objectives in support of the mental health and emotional wellbeing of young people of color
- Create a culture of belonging that releases the creativity, productivity, and results companies need to thrive in today’s marketplace

Taken as a whole, this report details what employers can do to realize the talents of an increasingly diverse workforce by fostering equity, inclusion, accountability, and mental health.

Partnering to Support the College to Career Pipeline

Responding to the historical, educational inequalities in our country, since its founding, the Steve Fund has collaborated with key nonprofit partners to infuse and centralize messages around mental health and wellbeing throughout programming and resources — supporting students throughout their educational journey to ensure college access, graduation, and job placement.

- A Better Chance
- College Track
- Hispanic Scholarship Fund
- INROADS
- Jackie Robinson Foundation
- LULAC National Education Service Center (LNESC)
- Management Leadership for Tomorrow
- NAACP
- SEO (Sponsors for Educational Opportunity)
- ScholarMatch
Employers face challenges reaching recruitment and retention goals — and young people of color face challenges transitioning into the workforce.

These interrelated challenges present companies with a compelling opportunity to both leverage the talents of a diverse workforce for growth and support young employees of color in inclusive and culturally-responsive ways.

Today’s Employers Face:

1. Lack of diversity in the corporate workforce. Black and Hispanic/Latino employees are consistently more likely to be underemployed than white employees. Blacks make up about 10% of college degree holders, but only just 3.2% of executives/senior level managers.

2. High attrition among employees of color. People of color and younger employees were more likely to have quit their jobs in 2021; feeling disrespected was a key reason for leaving.

3. Increased mental health and wellbeing risks for young employees of color. More than 3 in 10 young employees of color (Black and Latino) report experiencing discrimination at work. 86% of Gen-Z workers have experienced bullying or prejudice at work. Experiences of discrimination and exclusion are associated with feelings of being devalued, overexerted and hopeless and with increased levels of stress and anxiety.

Therefore, Employers Can:

Invest in the mental health and emotional wellbeing of young people of color through three key aspects of employment:

1. Recruitment: Companies that cultivate diversity, support workplace wellness, and cultivate a culture of belonging experience higher levels of creativity, innovation and profitability.

2. Retention: Employers need to create and sustain the safe and inclusive work environments young people of color seek. 80% of workers say an employer’s approach to employee mental health will be “an important consideration” when job hunting.

3. Wellness: Ensure young employees of color feel supported at work. The research states that employees who feel supported are:
   - Less likely to experience mental health symptoms
   - Less likely to underperform
   - Have higher job satisfaction
   - More likely to stay at their companies
Supporting the Successful Transition of Young People of Color into the Workforce

PART 2
Findings & Solutions
About the Survey

In late 2021, the Steve Fund set out to better understand the mental health and emotional wellbeing of young people of color during their transition into the workforce.

After an extensive review of relevant literature, the Steve Fund designed and conducted a cross-sectional survey to uncover the factors impacting the mental health and emotional wellbeing of young people of color — and their recruitment, retention, and successful tenure in the workforce.

The survey sought to determine the most promising and effective programs and strategies companies can adopt to better support and develop their diverse workforces. Collected between September 2021 and May 2022 from 160 young people of color, the data provides key insights into the mental health and emotional wellbeing of young employees of color and reveals significant gaps and opportunities related to recruitment, retention and wellness:

- Workplace discrimination
- Isolation and belonging
- Need for psychological safety
- The importance of culturally competent resources

The survey asked young employees of color about their:

- Experiences of stress and anxiety at work
- Feelings of belonging and inclusion
- Mental health and wellbeing support provided by their employers

“I didn’t have any family or neighbor examples to prepare me for the mental rigor/challenge of being an educated Black man from a poor city without any connections. We have to be twice as tough, twice as intelligent, and work much harder than our colleagues — just to be seen. Mentally this wears on you and is exhausting.”

About the Steve Fund

The Steve Fund is the nation’s leading organization focused on supporting the mental health and emotional wellbeing of young people of color. Since 2014, the organization has worked across sectors to support young people of color and their transition into the workforce to:

- Center the voices and experiences of young employees of color and support authentic, lasting change
- Bring broad perspectives and expertise together from diverse leaders from higher education, multicultural multidisciplinary mental health, nonprofits, and business
- Provide solutions to leading companies based on our work training and consulting in multiple areas of mental health and wellness for employees of color as they build careers
### Sentiments Revealed By This Research

**Point to a number of risks to retention and productivity**

#### PERCEPTIONS OF WORKPLACE DISCRIMINATION

- 50% report that they are experiencing microaggressions
- 50% say they don’t know where to access support resources if they experience discrimination at work
- 30% say work stress is impacting emotional wellness

#### EXPERIENCES OF ISOLATION & BELONGING

- 50% say they don’t feel a sense of inclusion and belonging
- 50% of all first year — and 30% of all employees — report that they are not getting any emotional support
- 30% report that they spend time looking for another job

#### NEED FOR PSYCHOLOGICAL SAFETY

- 50% say that management doesn’t foster a workplace that allows employees to be themselves without fear
- 50% say their employer is insensitive to the needs of a diverse workforce

#### IMPORTANCE OF CULTURAL COMPETENCE

- 41% say they do not have access to culturally competent mental health resources
- 39% say that their place of employment does not have professionals dedicated to supporting the wellbeing and success of employees of color
1. Equip managers to make *wellness at work* an everyday priority through a resilience model

Provide managers with scorecards and practical tools to support their team’s ability to bounce back from everyday challenges and problems such as low mood, anxiety, overwhelm and personality conflicts.

**Challenges**

- **50%** of young employees of color say that management does not foster a workplace that allows employees to be themselves without fear.
- **30%** of young employees of color say that work stress is impacting their emotional wellness.

**Solutions**

- **Hold Resilience Webinars:** Educate managers on skills and their value in sustaining everyday wellness for employees and teams.
- **Use Scorecards:** Equip managers with a scorecard to guide their team interactions and member check-ins.
- **Create check-in Guides:** Develop an employee wellness check-in guide to support managers in their interactions with team members emphasizing cultural humility and trustworthiness.
- **Communicate Benefits:** Encourage the use of benefits and PTO through communications.
2. Invest in mentoring at every stage in career development

Develop career progression mentorship capabilities to support incoming young people of color

Challenges

1 in 3 young employees of color are not getting emotional support at work

Their employers fail to demonstrate awareness of the unique challenges young people face or provide supports dedicated to promoting their mental health and wellbeing. Those recently onboarded expressed greater feelings of isolation with less than half of respondents reporting any emotional support at work.

50% of all first year employees of color Say they are not getting any emotional support.

Solutions

Tailor programs to specific needs

Mentor Match-Making: during employee onboarding, match young people of color (e.g., Analysts) with senior leaders (e.g., SVPs and MDs) who can guide career progression in a long-term mentorship.

Learning & Development: Offer programs for senior leaders (e.g., SVPs and MDs) on how to retain and mentor young people of color and support their career progression.
3. Invest in an annual Inclusion & Belonging Day

For this flagship event, launch a suite of products that engage employees firm-wide in active learning.

Challenges

1 in 4
said that their employers are not committed to the mental health and wellbeing of young employees of color

50% of young employees of color

Don’t feel a sense of inclusion and belonging.

Again, this gap was more notable for employees under the age of 30: 43% said their employers do not demonstrate awareness of the challenges specific to young people of color.

Solutions

Equip employees to improve workplace relationships and create a deeper sense of belonging via:

Webinars & Trainings: Provide education on bridge building, cultural affirmation and alliances, and allyship.

Guides, FAQs & Protocols: Equip managers to facilitate dialogue, emphasizing common missteps and providing tools and strategies to address them.

Micro-Learnings: Include accessible, asynchronous learning opportunities.
4. Invest in Wellness Mentor training

Train Wellness Mentors to support employees of color

**Challenges**

41% do not have access to culturally competent mental health resources

When resources are available, 34% respondents are not able to access them and 30% are not comfortable in doing so.

46% of recently on-boarded employees said that their employers do not provide culturally competent resources

Young people of color who are four years or less in the workforce express greater difficulty in accessing the resources they need. Even when they were available, 40% of these newer employees said they were not comfortable accessing resources.

**Solutions**

Provide Wellness Mentor training to support young employees of color

**Wellness Mentors** are peers trained by multicultural mental health experts to provide culturally competent support and connect employees to resources. Special emphasis should be placed on mentoring incoming employees of color.

The Steve Fund offers training for peer mentors on critical wellness themes, navigating company resources, and creating a safe space. Themes would also include facing burnout and overwhelm, navigating anxiety and stress, seeking support, and accessing benefits.

Employees equipped to become Wellness Mentors include:
- Wellbeing Influencers
- ERGs
- Wellness Mentors: host a Wellness Mentor event or roundtable to connect participants
PART 3

Recommendations for Employers
Taking strategic action can release the productivity, creativity, and wellbeing of young employees of color.

In response to the findings and analysis in this report, the Steve Fund and its bench of multicultural mental health experts offer the following recommendations to support the mental health of young people of color as a key strategy to increasing employee engagement and productivity.

1. Weave mental health and racial equity into the corporate blueprint
2. Invest in a safe landing for young employees of color — **before, during and after, their transition into your workforce**
3. Empower leadership to support healthy workplaces
4. Drive equity through data collection and analysis
5. Invest in programs that build belonging

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**The Steve Fund’s Workforce Expertise**

Since 2020, the Steve Fund has partnered with Fortune 500 employers to launch research-based content, knowledge and strategies in support of the mental health and emotional wellbeing of young employees of color. This work has leveraged partnerships with the institutions of higher education and workplaces where these transitions takes place, to offer:

- **Expert-led Programs**: all services leverage the expertise of its multicultural, multidisciplinary mental health experts
- **Continuum of Services**: programs provide support in the transition from college to the workplace, in navigating the workplace, and transitioning upwards and developing leaders
- **User-Based Products**: the Steve Fund has impacted more than 460,000 employees, managers, and leaders, gaining a greater understanding of the needs and challenges of both employees and employers
PART 3 - Recommendations for Employers

1. Weave mental health and racial equity into the corporate blueprint

It is critical that organizations weave mental health, and diversity, equity, and inclusion into the fabric of their companies. This includes centering the wellbeing of their employees in their mission, values, priorities and goals to ensure that programs, policy and budgeting decisions align.

- Make mental health and wellbeing a company-wide mission and priority
- Create an infrastructure to sustain programming
- Engage and mobilize internal and external stakeholders
- Ensure that all employees understand and commit to these goals through inclusion in employee job descriptions, agreements, and evaluations
- Establish an organization-wide definition of employee wellbeing that takes into account racial trauma and recognizes the link to employee satisfaction and productivity

2. Invest in a safe landing for young employees of color — before, during and after, their transition into your workforce

By investing in programs and policies that support the rising workforce of color, employers can increase recruitment, retention and development of their diverse workforces.

- Focus on student transitions from higher education to the workplace
- Launch responsive programs that support the wellbeing of young people of color, with special attention to the recruiting and onboarding periods
- Help young people of color navigate the ‘unwritten code’ of the workplace and establish supportive relationships and networks
- Equip all employees with the skills and resources to reinforce a nurturing and equitable culture
- Embed culturally competent resources to support the mental health of young people of color
- Invest in safe and inclusive spaces for young employees of color, including Employee Resource Groups (ERGs), and empower those programs with budgets

Resource:
The Steve Fund’s Workplace Equity in Mental Health Framework lays out eight recommendations and implementation strategies to drive workplace mental health equity

Resource:
The Youth Healing Space contains expert-created resources to support the mental health and wellbeing of young people of color, as does the HBCU student initiative
3 Empower leadership to support healthy workplaces

Leaders play a critical role in any workplace. Employers should invest resources in ensuring that their leaders model corporate values of diversity and inclusion, and create and reinforce a workplace culture that values mental health.

- Create platforms for multicultural leaders to share personal experiences – particularly senior leaders
- Empower and equip leadership to support employee mental health
- Educate leaders on psychological safety, which establishes a work environment where individuals can speak up, share ideas, and make mistakes without fear of humiliation or punishment

4 Drive equity through data collection and analysis

In order to effectively identify gaps and opportunities in the recruitment, retention and wellness of employees of color, it is important to leverage data collection and employee surveys that take into account mental health and diversity, equity and inclusion considerations.

Implementation Strategies

- Engage employees to provide feedback on company’s mental and emotional wellbeing climate
- Conduct a workplace culture and practices assessment with an updated lens
- Assess company culture against industry-wide standards of inclusion and belonging
- Commit to data analysis and continuous improvement of programs

Resource:
The Steve Fund’s Workforce Transitions Initiative trains and supports corporate leaders

Resource:
The Steve Fund’s Workplace Equity in Mental Health Framework offers guidance on qualitative and quantitative assessment
Invest in programs that build belonging

Programming that is innovative, responsive and centers employees is critical to building a culture of belonging. Programs that seek to educate and empower all employees have the greatest impact on building workforce equity.

- Promote understanding of racial trauma, mental health, and emotional wellbeing in the workplace
- Make programs accessible through digital platforms and delivery methods that meet employees where they are
- Recognize and help employees cope with racial trauma
- Launch programming that educates and empowers employees to be allies and advocates, particularly to young people of color
- Communicate effectively about resources available

Conclusion

This report underscores the interdependence of mental health and wellness with the recruitment, retention, and wellbeing of employees of color.

Today, companies face critical inflection points in employer-employee relations, social movements for racial equity, and a new openness to discussions of mental health and wellbeing in professional settings.

The evidence shows that by addressing the unique mental health and wellness needs of young people of color, employers can not only address challenges with employee recruitment, retention, and wellness but also release the productivity, creativity, and innovation of their diverse teams.
Supporting the Successful Transition of Young People of Color into the Workforce

Appendix A

Survey Background
Young People of Color in the Workforce

Survey Overview
In late 2021, the Steve Fund set out to better understand the mental health and emotional wellbeing of young people of color during their transition into, and early tenure in, the workforce. The overarching goal of this work is to not only better support young people of color during the transition period, but to empower employers with research-based tools and action plans to create a greater sense of belonging for all employees and build a culture that drives the values of diversity, equity, belonging, and inclusion.

By drawing on this research, our hope is that employers are equipped to recognize the trauma of discrimination and systemic racism and create anti-racist workplaces that work to support employees in their preparation, recruitment, onboarding, retention, and successful promotion in the workforce.

The research team undertook an extensive review of relevant literature on the mental health and wellbeing of young people of color during and after their transition from higher education into the workforce and then designed and conducted a cross-sectional survey. The aim of the survey was to illuminate environmental factors impacting the mental health and emotional wellbeing of young people of color, and ultimately their recruitment, retention, and successful tenure in the workforce; as well as to uncover the most promising and effective programs and strategies companies can adopt to better support and develop their diverse workforces.

The survey asked employees of color about their experiences of stress and anxiety at work, feelings of belonging and inclusion, and the mental health and emotional wellbeing support and resources provided by their employers. Responses were collected between September 2021 and May 2022 from 160 young people of color.

Objectives
The objectives of the Steve Fund survey were to provide insights into:
- The impact of organizational climate on the mental health and wellbeing of young people of color
- The impact of DEIB programs on the recruitment and retention of young people of color
- The efficacy and availability of culturally competent mental health and wellbeing supports as part of benefit programs
- Mental health and emotional wellbeing needs that are currently unaddressed by employers
Young People of Color in the Workforce

Methodology

The survey questionnaire was developed by the Steve Fund and administered online via Qualtrics. It was distributed between September 3, 2021, and May 28, 2022, to people of color employed at diverse public and private sector organizations. Respondents received the link through online communications such as newsletters, emails, and social media posts, which provided information on the purpose of the survey, confidentiality clauses, and the approximate time needed for completion. Participants could choose to skip questions or sections of the survey; incomplete surveys were included in analyses when appropriate. No personally identifiable information was collected.

The research team included:
- Annelle Primm, MD, MPH, Senior Medical Director, the Steve Fund
- Jessica Isom, MD, MPH, Senior Medical Advisor, the Steve Fund
- David Rivera, PhD, National Advisor, the Steve Fund
- Sherry Davis Molock, PhD, Research Advisor, the Steve Fund
- Andrea Muse, PhD, lead survey developer and researcher

Overview of Survey Sections

SECTION 1: Demographic Questions
- Age
- Gender and Racial/Ethnic Identity
- Amount of time out of college and in the workforce

SECTION 2: Statements on stress, trust, and emotional support
- Sample: I trust my team or coworkers to support my work activities
- Sample: I get emotional support from at least one person in my office

SECTION 3: Statements on mental health and wellbeing resources
- Sample: My employer is committed to the mental health and wellbeing of all employees
- Sample: What wellbeing resources do you think would be helpful but are not currently available?

SECTION 4: Statements on DEI-related issues at work
- Sample: My employer appreciates others whose backgrounds, beliefs, and experiences are different from their own
- Sample: What improvements, if any, can be made to improve DEI efforts at your company?
TABLE 1
Availability of culturally competent resources

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<thead>
<tr>
<th>STRONGLY AGREE</th>
<th>1-4 years</th>
<th>5+ years</th>
<th>1-4 years</th>
<th>5+ years</th>
<th>1-4 years</th>
<th>5+ years</th>
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<td>My company provides culturally competent mental health resources.</td>
<td>11%</td>
<td>13%</td>
<td>15%</td>
<td>17%</td>
<td>15%</td>
<td>19%</td>
</tr>
<tr>
<td>I am able to access them.</td>
<td>11%</td>
<td>25%</td>
<td>17%</td>
<td>28%</td>
<td>4%</td>
<td>21%</td>
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<td>I am comfortable using them.</td>
<td>22%</td>
<td>24%</td>
<td>24%</td>
<td>21%</td>
<td>31%</td>
<td>26%</td>
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<table>
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<th>5+ years</th>
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<td>10%</td>
<td>17%</td>
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<td>I am able to access them.</td>
<td>30%</td>
<td>17%</td>
<td>20%</td>
<td>10%</td>
<td>26%</td>
<td>14%</td>
</tr>
<tr>
<td>I am comfortable using them.</td>
<td>17%</td>
<td>10%</td>
<td>13%</td>
<td>12%</td>
<td>15%</td>
<td>9%</td>
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TABLE 2 AND 3
Emotional support at work

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<th>1000+</th>
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<td>RARELY</td>
<td>16%</td>
<td>18%</td>
<td>19%</td>
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<td>SOMETIMES</td>
<td>32%</td>
<td>14%</td>
<td>37%</td>
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<td>OFTEN</td>
<td>23%</td>
<td>23%</td>
<td>23%</td>
</tr>
<tr>
<td>ALWAYS</td>
<td>16%</td>
<td>41%</td>
<td>6%</td>
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<table>
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<th>Time in Workforce</th>
<th>1 year</th>
<th>5+ years</th>
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<tbody>
<tr>
<td>NEVER</td>
<td>14%</td>
<td>13%</td>
</tr>
<tr>
<td>RARELY</td>
<td>33%</td>
<td>18%</td>
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<tr>
<td>SOMETIMES</td>
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<tr>
<td>OFTEN</td>
<td>19%</td>
<td>21%</td>
</tr>
<tr>
<td>ALWAYS</td>
<td>14%</td>
<td>11%</td>
</tr>
</tbody>
</table>
Appendix B

Resources
The Steve Fund

The Steve Fund is the nation’s leading organization focused on supporting the mental health and emotional wellbeing of young people of color.

Our assets include:

**Partnerships with Institutions of Higher Education.** Since inception, we have supported colleges, universities and pipeline nonprofit organizations in building more supportive programs and environments for young people of color to succeed.

**Multicultural, Multidisciplinary Experts.** Our experts represent the fields of psychiatry; psychology; and diversity, equity, and inclusion.

**Thought Leadership on the Transition to the Workforce.** In 2020, we convened a cross-sector task force to respond to the mental health risks caused by the concurrent public health and racial violence crises, informing and prompting effective actions, investments, and innovations promoting the wellbeing of young people of color in the workforce. Learn more at stevefund.org

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**Inroads**

INROADS acted as a key collaborator on this effort by supporting the distribution of the Steve Fund survey to its recent alumni.

INROADS is a non-profit organization that creates pathways to careers for ethnically diverse high school and college students across the country. The mission of INROADS is to deliver innovative leadership development programs and creative solutions that identify, accelerate and elevate underrepresented talent throughout their careers.

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*Morgan Stanley is a proud supporter and contributor of this work.*
References:

1. **Being Black in Corporate America: An Intersectional Exploration**, Center for Talent Innovation, 2019


5. **Employee Health and Wellness Outcomes Associated With Perceived Discrimination in Academic Medicine: A Qualitative Analysis**


7. **American Psychological Association**