



Empowering the Future Workforce: The Crucial Role of Entrepreneurship in Youth Skill-Building for Career Readiness

Preparing young people for their futures is an increasingly urgent concern—in a 2022 report, UNICEF and PwC projected that an alarming 60% of the world's 1.8 billion young people will lack the essential skills required for the workforce.¹ As the skills gap continues to widen, policies must play a more active role in fostering the development of the next generation of workers. For high schoolers, work-based learning opportunities, both in- and out-of-school, are a necessary part of the equation.



The bipartisan WIOA reauthorization bill includes coverage of programs targeting the development of crucial "soft" skills. Entrepreneurship education is well-positioned to cultivate these skills.

Federal laws, such as the Workforce Innovation and Opportunity Act (WIOA), have made strides in ensuring that young people across the U.S. have access to work-based learning opportunities by streamlining federal workforce development programs, which exist in a complex and convoluted system. High school work-based learning opportunities and youth workforce investment activities covered in the original WIOA law include programs like apprenticeships, leadership development activities, adult mentoring, internships, financial literacy, and entrepreneurial skills training.

As Congress seeks now to reauthorize WIOA and the workforce undergoes continual changes, it is imperative to modernize WIOA to address challenges related to equity, access, and the dynamic nature of the workforce. The House version of the bipartisan WIOA reauthorization bill, H.R. 6655, A Stronger Workforce for America Act (ASWA), expands on the initiatives covered by WIOA by including activities that develop critical skills like creativity, digital literacy, critical thinking, collaboration, and persistence. Research shows that these skills are among the top skills employers seek, and proposed laws like the WIOA reauthorization bill are starting to highlight these skills as a necessary part of the future workforce. Entrepreneurship programs, like those offered by the Network for Teaching Entrepreneurship (NFTE), develop these essential skills, creating a direct connection between what research recommends and what policy should support. Given the profound influence that entrepreneurship programs wield in fostering skills development and paving the way for future success,

¹ PwC & UNICEF. (2022). The net zero generation: Why the world needs to upskill young people to enable the net zero transition. <https://www.pwc.com/gx/en/issues/upskilling/the-net-zero-generation-unicef-generation-unlimited.pdf> (accessed on 1/09/24).

About NFTE

The Network for Teaching Entrepreneurship (NFTE) is a global education nonprofit that empowers partners to integrate entrepreneurial education across curricula and equips youth in under-resourced communities with the skills, connections, credentials, and real-world experiences needed to lead change and own their futures. Since 1987, NFTE has reached more than a million learners worldwide.

NFTE believes that entrepreneurship programs should not just be listed as permissible programs in ASWA, but should be elevated to a required activity for workforce development.

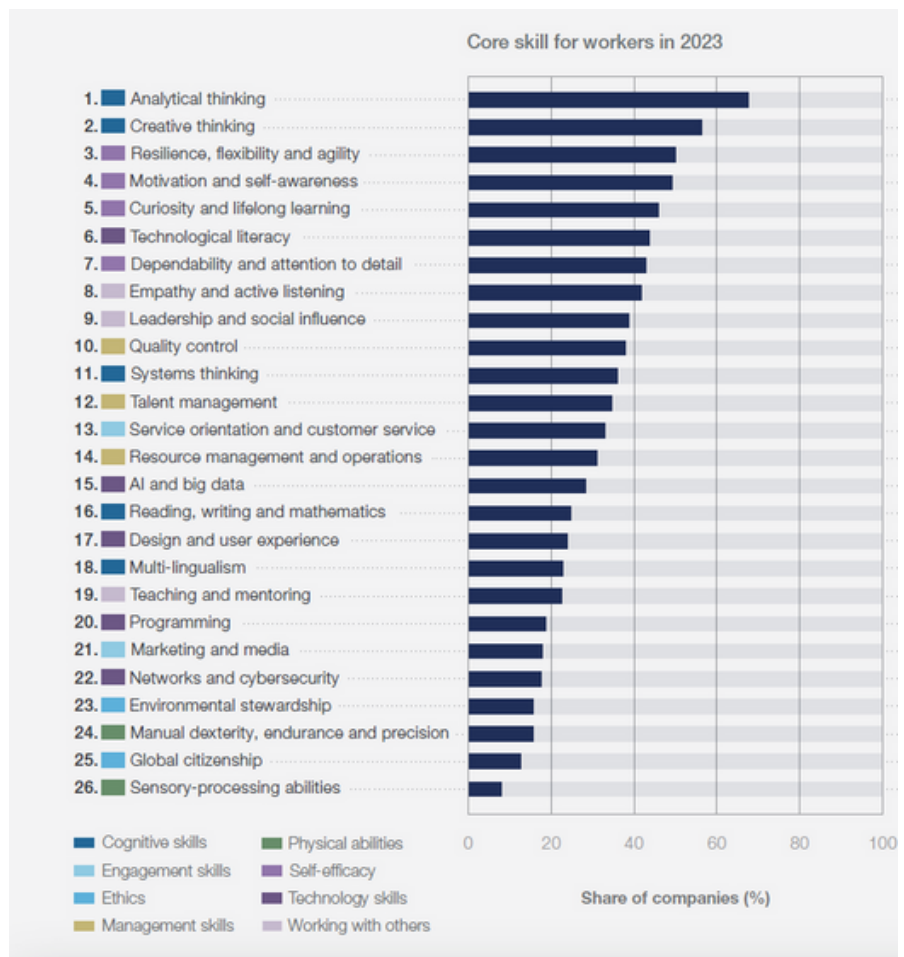
In-Demand Skills: Aligning with Workforce Needs

In the last year alone, LinkedIn reported a 21% rise in job postings that prioritize hiring for skills rather than work experience.² In light of the growing emphasis on skills-based hiring by employers, it is crucial to empower students to enhance their employability skills in high school or earlier. Assisting young people in improving their skills not only boosts their employability, but also contributes to their overall success in the careers they pursue. Employees hired based on their skills are five times more likely to succeed on the job than those chosen for their education, and twice as likely to succeed as candidates selected for their work experience.³ The skills that garner the most interest from employers, many of which are outlined in the WIOA reauthorization bill, can be cultivated through entrepreneurship programs.

Concerning the skills employers seek, there is a notable surge in the demand for "soft" skills, often referred to as 21st-century skills or durable skills. The five skills that ASWA specifically lists —creativity, digital literacy, critical thinking, collaboration, and persistence— are in the top 10 skills on the rise for employers,⁴ according to the World Economic Forum. These high-need skills are also the most difficult to upskill; according to a McKinsey & Company report, many employers have not advanced their practices to include skills-based hiring, and cite skills-based job pathways and training among their most significant challenges.⁵ These challenges highlight that there is a pressing need to support young people before they enter the workforce.

Entrepreneurship education programs leverage experiential, problem-based learning to help young people cultivate an entrepreneurial mindset, a set of skills and behaviors that include recognizing opportunities, taking risks, learning from setbacks, and communicating with others.

Traditional workforce development programs are crucial for acquiring essential skills, but incorporating entrepreneurship into these initiatives has the potential to revolutionize approaches for sustainable employment. While many workforce readiness initiatives target particular sectors or career clusters, entrepreneurship offers a



Source: World Economic Forum, Future of Jobs Survey, 2023

2 Castrillon, Caroline. (2023). Why Skills-Based Hiring is On the Rise. Forbes. <https://www.forbes.com/sites/carolinecastrillon/2023/02/12/why-skills-based-hiring-is-on-the-rise/?sh=66e8677f24a9> (accessed on 1/16/24)

3 McKinsey & Company. (2022). Taking a skills-based approach to building the future workforce. <https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/taking-a-skills-based-approach-to-building-the-future-workforce#/> (accessed on 1/16/24)

4 World Economic Forum. (2023). Future of Jobs Report 2023. <https://www.weforum.org/publications/the-future-of-jobs-report-2023/> (accessed on 1/09/2024)

5 McKinsey & Company. (2022). Taking a skills-based approach to building the future workforce. <https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/taking-a-skills-based-approach-to-building-the-future-workforce#/> (accessed on 1/16/24)

broad approach that transcends industries. Through creativity and a sense of agency, young people engage in exploring solutions without being bound by specific fields. By promoting entrepreneurial skills alongside technical expertise, young people are empowered not only to seek jobs but also to create them, fostering self-reliance and resilience.

Fostering Employability Skills through Entrepreneurship Education

The Network for Teaching Entrepreneurship (NFTE) assesses its programs through the Entrepreneurial Mindset Index (EMI), which consists of eight key domains or skills. The EMI serves as a tool for NFTE to cultivate entrepreneurial awareness and enhance skills and behaviors that foster career readiness in youth, equipping them for the uncertainties of the future economy. All eight domains featured in the EMI align with the fastest-growing skills employers seek, as highlighted by global reports.⁶ Additionally, these skills coincide with those covered in the WIOA reauthorization.

In a 2020 study, NFTE concluded that entrepreneurship education may increase student confidence in building skills in the domains of communication and collaboration, opportunity recognition, critical thinking, and problem-solving compared to students in other career readiness programs.⁷ According to the same study, entrepreneurship programs offer young individuals exposure to a broader array of careers in contrast to other career readiness initiatives. Further, a growing body of research has shown that the entrepreneurial mindset is something that young people can grow through meaningful entrepreneurial and work-based learning activities.⁸ Entrepreneurship goes beyond business ownership; it involves cultivating a range of practical skills that empower individuals to set and accomplish goals, learn from setbacks, and seize opportunities throughout their lives.



Conclusion

To transform workforce development fundamentally, we need a shift in perspective. Recognizing entrepreneurship as an integral part of career readiness is critical. The Workforce Innovation and Opportunity Act (WIOA) acknowledged this by incorporating entrepreneurial education into high school work-based programs covered by the legislation. The bipartisan WIOA reauthorization bill, H.R. 6655 A Stronger Workforce for America Act (ASWA), builds on this foundation by expanding the focus on skills essential for thriving in the workforce. Entrepreneurship education has demonstrated its ability to build and nurture critical employability skills necessary for success in the workforce and should be regarded as a significant opportunity for high-quality skills training.

6 World Economic Forum. (2023). Future of Jobs Report 2023. <https://www.weforum.org/publications/the-future-of-jobs-report-2023/> (accessed on 1/09/2024)

7 Rodriguez, S., & Lieber, H. (2020). Relationship between entrepreneurship education, entrepreneurial mindset, and career readiness in Secondary students. *Journal of Experiential Education*, 43(3), 277–298. <https://doi.org/10.1177/1053825920919462>

8 NFTE & EY. (2017). Entrepreneurial Mindset: On Ramp to Opportunity. <https://www.nfte.com/wp-content/uploads/2020/04/NFTE-Whitepaper-Entrepreneurial-Mindset-On-Ramp-to-Opportunity-December-2017.pdf>

Contributors & Contact Information

Ashley Hemmy, Ed.D
Jennifer Fay

Deputy Chief of Staff
Chief of Staff

For questions and inquiries:
reach out to policy@nfte.com