Review of Summer Work Travel Program: Program effects and economic impact

Conducted for Alliance for International Exchange

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This study was conducted in compliance with ISO 20252, the international quality standard for market, public opinion and social research.
Executive Summary

Among the public diplomacy programs established under the Mutual Educational and Cultural Exchange Act of 1961 (also known as the Fulbright-Hays Act), are several citizen exchange programs designed to build greater understanding of the American people and culture around the world. These programs are aimed at specific populations of interest to the United States and are regulated by the U.S. Department of State. The State Department selects and oversees various implementing organizations to operate these programs without governmental subsidies. The Alliance for International Exchange is an association of 90 international exchange implementing organizations comprising the international educational and cultural exchange community in the United States. The Alliance for International Exchange commissioned research firm EurekaFacts to conduct a multi-perspective assessment of the Summer Work Travel (SWT) program. This program provides international university students the opportunity to come to the U.S. during their summer break and work during their stay to help defray their cost. The public diplomacy goal is to build ties and positive attitudes toward the U.S. among those who will become leaders around the world.

These findings are based on a review of available reports on summer youth employment, reported placements of Summer Work Travel (SWT) participants in geographic areas, and Bureau of Labor Statistics (BLS) and U.S. Census Bureau data for the same areas. Regression analyses looked at the relationship between the number of SWT program participants and youth unemployment as local workforce and demographic characteristics of the areas of placement. Additionally, a survey of 2,800 SWT alumni was conducted in May 2017 and included SWT participants from program years 2012 through 2016. The survey of 460 employers participating in the program was also conducted in May 2017.

Key findings

General makeup of survey respondents.

- A majority (89%) of employers participating in the SWT program reported working within tourism-related industries, such as hospitality, food services, retail, camps, or entertainment.
- A majority (89%) of employers participating in the SWT program reported managing a small business, consisting of 100 employees or fewer.
- The top countries of citizenship of SWT participants who responded to the survey include:
  - Jamaica (10%)
  - Romania (8%)
  - Bulgaria (8%)
  - Ukraine (7%)
  - Philippines (5%)
  - Serbia (5%)
  - China (5%)
  - Turkey (5%)

SWT participants come to learn about and experience life in the United States.

- Nearly all (91%) of SWT participants report cultural exchange their top reason for participating in the programs: In contrast, very few participants stated learning specific work skills, gaining experience for a degree program or earning money as the top reasons for participating in the program.
Review of Summer Work Travel Program

Summer Work Travel (SWT) participants generally hold favorable views toward the SWT program.

- Nearly all (91%) SWT program participants reported being either satisfied (40%) or very satisfied (51%) with their experience.
- Similarly, nearly all (94%) SWT participants indicated that they were either likely (23%) or very likely (71%) to recommend the program to their friends.
- In fact, when asked about whether or not participants had already recommended the SWT program to their friends, an overwhelming majority (98%) said yes.

SWT participants expressed positive opinions regarding the United States, and indicate that their overall perceptions of the U.S. improved after participating in the program.

- Overall, SWT participants reported a positive experience while in the U.S. A majority (86%) of respondents indicated that their experience in the U.S. was either very good (33%) or excellent (52%).
- After participating in the SWT program, individuals reported a positive change in their views of several aspects of the United States, including:
  - The United States in general: Over three-fourths (76%) of SWT participants reported a positive change in views regarding the U.S.
  - American culture: Slightly under three-fourths (72%) of SWT participants reported a positive change in their view of American culture.
  - American people: A similar percentage (74%) of SWT participants reported a positive change in how they view American people.
  - American companies: Over half (64%) of SWT participants reported a positive change in how they perceive American companies.
  - American way of doing business: A similar percentage (62%) of SWT participants reported a higher opinion about how Americans conduct business.

- Nearly all (94%) SWT participants reported making friends with Americans.
- A majority (88%) of SWT participants who reported having made American friends, indicated that they kept in touch with some of them after they left the United States.

The downward trend in youth employment is best explained by competing priorities of American youth enrolled in school rather than effects of the SWT program.

- BLS reports that summer work participation among American youth has been declining consistently since 1990. Although the trend is affected by adverse economic conditions, it does not recover after recessions.  

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2 http://www.pewresearch.org/fact-tank/2015/06/23/the-fading-of-the-teen-summer-job/
• BLS reports higher summer school enrollment during the same period. Similarly, a Pew Research report notes community volunteerism and internship programs are alternatives to seasonal employment.

• Whereas summer employment for youth not enrolled in school has also declined, BLS notes that participation of this group in the workforce increased at the same time. This finding suggests youth not enrolled in school are more likely to be employed in year-round work and therefore less likely to seek seasonal employment.  

There was no statistical relationship between the number of SWT participants and youth unemployment rates. That is, there is no evidence indicating that SWT participants compete for local jobs.

• Regression analyses examining the factors influencing youth unemployment rates showed no relationship between youth unemployment rates and number of SWT participants (standardized coefficient -.005 p=.342).

• Youth unemployment rates were related to indicators of a community’s economic health such as the overall unemployment rate.

• In the resort communities with high SWT placement (over 1000), SWT participants represented on the average 7% of the workforce involved in tourism related industries.

In fact, further analyses suggest that SWT participants supplement the existing workforce rather than compete for existing jobs with local workers.

• Regression analysis examining the factors influencing areas where SWT participates showed a relationship between the number of SWT placements in a community and factors related to seasonal labor shortages.

  o SWT placement was higher in locations with fewer people ages 18-24 enrolled in institutions of higher learning (standardized coefficient= -.01 p=.0001). Given that college students are potential candidates for seasonal jobs, these findings show that there are more SWT participants in areas where there are fewer college students.

  o SWT placement was higher in locations where there were lower rates of employment in industries that typically rely on seasonal labor (standardized coefficient= -.037, p=.011). More SWT participants were placed in areas where fewer local residents are employed in industries such as hospitality, amusement, or retail as a percentage of the total workforce in the area.

Surveys of employers participating in the SWT program supported findings that there is a seasonal labor shortage and indicated a negative impact on business if the SWT program was not available.

• Almost all (97%) employers reported experiencing a surplus of seasonal employment, with more seasonal jobs available than workers to fill them.

3 https://www.bls.gov/spotlight/2011/schools_out/
• Half (50%) of the employers surveyed stated that the absence of SWT participants would have a big negative impact on their revenues.

Employers who participated in the SWT program indicated that without the SWT program, their businesses would suffer.

• One quarter (25%) of employers reported that it is likely or very likely that they would not be able to stay open during the season.
• Roughly two-fifths (39%) of employers said that it is likely or very likely that they would have to reduce hours of operation.
• Slightly under one quarter (22%) of employers reported that it is likely or very likely that they would have to lay off permanent staff after the season.
SUMMER WORK TRAVEL PROGRAM

The Summer Work Travel (SWT) program is a public diplomacy program established under the Mutual Educational and Cultural Exchange Act of 1961 (also known as the Fulbright-Hays Act) to foster ties of friendship with citizens of other countries.

PARTICIPANTS

Country of origin

- 100,000 university students from over 100 countries visit the U.S. to learn about American culture every year
- During their summer break, students work and travel for up to four months

98% have RECOMMENDED SWT to their friends

91% of participants report cultural exchange as their top reason for participating in the program

91% satisfied or very satisfied with their program

PUBLIC DIPLOMACY

76% of SWT participants have a higher overall regard for the U.S. after the program

74% report a positive change in how they view American people

61% of participants reported higher regard for American companies, and 64% had higher opinion of the way Americans do business

94% made friendships with Americans during their stay, and of those, 88% reported that they keep in touch with their new American friends

HOST EMPLOYER

- 9 in 10 employers operate within tourism-related industries, such as hospitality, food services, retail, camps, or entertainment
- 89% of host employers have fewer than 100 employees

HELP WANTED

97% employers report experiencing a surge in seasonal employment, with more seasonal jobs available than workers to fill them

50% of the employers state that the absence of SWT participants would have a big negative impact on their revenues

COMMUNITIES

- SWT programs tend to occur in places with seasonal labor shortages
- Labor employment analyses in SWT participating areas show no statistical relationship with youth unemployment rates

Without SWT, 22% of employers say they would lay off permanent staff after the season