

Summer Work Travel (SWT) Program Review



Executive Summary



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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. SWT is one of the programs that the Alliance members supports. The Alliance commissioned an independent research firm, EurekaFacts, to conduct a comprehensive assessment of the SWT program.

The findings presented in the report are based on:

- The review of material documenting the SWT program as well as interviews with representatives of sponsor organizations implementing the SWT program in the United States.
- A survey of 2,800 SWT alumni was conducted in May 2017 and included SWT participants from program years 2012 through 2016.
- A survey of 460 employers participating in the SWT program was also conducted in May 2017.
- Personal interviews with SWT past participants and representatives of current businesses participating in the program in The Dells in Wisconsin, Ocean City in Maryland or the Jersey Shore in New Jersey.
- Analyses of reported placements of SWT participants in geographical areas, the U.S. Bureau of Labor Statistics (BLS) and U.S. Census Bureau data for the same areas. The analyses are based on the SWT placements during the last five years (2012 to 2016) reported by Alliance members. These represent 60% of all placements reported by the Department of State. Specifically, the analyses modeled the relationship between the number of SWT program participants and youth unemployment and separately the characteristics of the local workforce and demographic characteristics of the areas of placement on the number of SWT placements.

Review of the program concluded that for more than 50 years, the J-1 exchange visitor programs, including the SWT program, have grown and changed in concert with U.S. foreign policy priorities and initiatives. The SWT program is the largest U.S. public diplomacy program, and has experienced unprecedented growth in the past 20 years. This growth led to a need for increased oversight of the sponsor community by the State Department and other program reforms to ensure positive program experiences for participants. The resulting reforms and oversight appear to have had the intended result of refocusing the program on public diplomacy objectives while assuring the safety and welfare of participants.

The findings from the survey of the past SWT participants reinforces the success of the reforms and oversights discussed in the program review. Participants report high levels of overall satisfaction of both the program (91%). The majority of participants also report personal and professional gains as a result of their participation. For example, 93.8% of participants believed that the participation in the program will help their future careers. Most participants (73%) of participants report cultural exchange as their primary motivation for joining the program. Data

also show that the SWT program is achieving its public diplomacy goals. Majority of SWT (76.1%) alumni reported that their opinion of the United States improved after participating in the program. They also report making lasting friendships with American peers (94.3%) and most show a more favorable attitude toward American people (74.1%) and culture (72%) in comparison to before their visit.

Cultural exchange is also an important characteristic of the program to participating employers. Nearly all employers (96.8%) believe that the infusion of international participants into their workforce creates a better work climate for their local employees as well as better service experience for their customers. However, not surprisingly, the employers value the more tangible contribution of the SWT participants to their businesses. Despite earnest attempts to hire locally for seasonal help, almost all employers (96.8%) report seasonal labor shortages. SWT participants thus fill the critical labor gap. Based on the survey data, the absence of SWT participants would have a negative impact on employers in terms of revenue (50.8%), ability to operate at full capacity (44.8%) and customer satisfaction (90%). More than a quarter of employers surveyed (27.6%) in fact report that without the SWT program they would not be open during the tourist season and a similar percentage (28.7%) report that they would have to lay off some of their permanent staff.

Based on review of the BLS reports and data, the seasonal labor shortage can in part be explained by the changing patterns in summer time employment by American youth. Those enrolled in schools or colleges are increasingly placing more value on other summer time activities like academic pursuits or internships. On the other hand, with an improving economy, youth who are not enrolled in school are finding permanent year-round jobs and are also not interested in seasonal employment. This pattern partly explains the reason why employers surveyed might have difficulty finding seasonal employees locally.

The economic impact analysis estimated that SWT participants contribute roughly 500MM dollars to the U.S. economy accounting for U.S. based program expenses (e.g., sponsor fees, visas fees and health insurance) and wages earned during their participation in the program and spent locally. A model looking at the relationship between the number of SWT participants and local youth unemployment rates showed that the number of SWT participants had no relationship with local youth unemployment rates, which are best explained by the overall economic health of the geographic area. A separate model exploring the relationships between workforce characteristics and the number of SWT placements showed that the number of SWT placements are related to the factors indicative of a labor shortage. For example, more SWT participants were placed in the areas with higher overall workforce participation, fewer residents attending institutions of higher learning, and a lower percentage of workforce involved in the hospitality industry. The results of this analysis reinforce the employers' concerns with seasonal labor shortages. It also suggests that the SWT program is unlikely to compete with American jobs.