

Summer Work Travel (SWT) Program Review



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Dear Readers,

This report presents findings from the assessment of the Summer Work Travel (SWT) program. SWT is a cultural exchange J-1 visa program that brings over 100,000 college students to experience life in the United States while working in seasonal jobs. The study was commissioned by Alliance for International Exchange, an association of 90 nongovernmental organizations comprising the international educational and cultural exchange community in the United States. Alliance for International Exchange engaged EurekaFacts LLC, a social science and market research firm to conduct an independent and rigorous assessment program. The findings of this report are based on the review of program documents, previous research in related areas, surveys of and qualitative interviews with SWT participants and employers, and secondary analyses of the Bureau of Labor Statistics and U.S. Census data. The study offers the perspective of the program from the points of view of participant and program alumni, and employers as well as explores the economic impact of the program both in terms of contribution to the U.S. economy and its effect on American jobs.

The study was conducted in full accordance with the international standard for market, public opinion and social research ISO 20252, to which EurekaFacts is certified.

The findings show that the SWT program meets its cultural exchange and public diplomacy goals, allowing college students from diverse backgrounds to experience and learn about life in the United States. The SWT program also helps American employers to meet critical season labor demands. Finally, given the shortage of seasonal labor, SWT participants do not compete with Americans for these jobs. In fact, in view of adverse effects on business revenues and services in the absence of the program, the SWT program potentially protects American workers.

The research team wishes to thank the thousands of SWT alumni and hundreds of U.S. employers for taking time to participate in this research. We also extend our appreciation to the nonprofit organizations who operate the programs for contributing with their invaluable internal data on SWT placements and participant characteristics. Finally, we would like to acknowledge the Alliance Work Group who not only provided necessary support but also upheld the principle of independent enquiry.

Sincerely



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Introduction

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 a greater understanding of the American people and culture around the world. A program category of the State Department-administered J-1 Visa Exchange Visitor Program, Summer Work Travel (SWT) is one of these citizen exchange programs. The U.S. State Department selects and oversees various implementing organizations to operate these programs without governmental subsidies. For more than fifty years, the SWT program has brought international college students to the U.S. to share their cultures and ideas with people of the U.S. through temporary work and travel opportunities. In addition to the economic impact this program has on local economies and communities, the program has a significant public diplomacy impact because it promotes authentic cultural exchange opportunities for all participants and the local communities in which they live and work.

SWT is currently the largest public diplomacy program in the U.S., bringing more than 100,000 participants annually for up to a 4-month stay during their home university summer break periods. Through the program, international students live and work in the U.S., gaining deep exposure to American culture and society. Employment in seasonal temporary jobs enables students to underwrite the cost of the program and to cover their living expenses. This is an important element of the program, because it allows the participation of youth from various cultural and socioeconomic backgrounds. The average cost to participate in the SWT program is \$2,700, including all fees, health insurance, and travel costs. This is very accessible when compared to a year as an international student at a U.S. college or university, which averages \$35,370 at a public institution and \$45,370 at a private institution.¹

The Alliance for the International Exchange commissioned EurekaFacts to conduct primary and secondary research on the SWT program. 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. Twenty one of the 90 organizations are designated SWT sponsors. EurekaFacts is an independent research organization that specializes in social science and policy research, with a background in providing research to international exchange organizations. The research task included:

- Review of the history and current state of the SWT program
- Primary research with SWT past participants
- Primary research with employers participating in SWT program
- Analyses of secondary employment and economic data

The primary goals of the research activities were to:

- Provide a comprehensive review of the program, and the understanding of how the program evolved in response to changes in regulatory and political environments.
- Understand the experiences of the SWT participants in terms of their satisfaction with the program, personal and professional gains as a result of their participation in the program and the extent to which the program achieves its public diplomacy goals.
- Assess experiences of employers participating in the program, including their overall

¹ <https://trends.collegeboard.org/college-pricing/figures-tables/average-published-undergraduate-charges-sector-2016-17>

satisfaction. The research of employers also sought to understand the reasons for participation, as well as the impact of the program on their businesses both in terms of cultural exchange and economic vitality.

- Estimate the economic impact of the program in terms of the contribution to the overall economy.
- Model local economic and workforce characteristics to assess the impact of the SWT program on local employment and to understand local workforce and economic factors that influence the number of SWT placements in a geographic area.

Executive Summary

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 with 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 (91%) report cultural exchange as their primary motivation for joining the program. Data also show that the SWT program is achieving its public diplomacy goals. A 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 a 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.

Key Findings

SWT participants come to learn about and experience life in the U.S.

- Most (91%) SWT participants reported cultural exchange as their top reason for participating in the program. In contrast, only 9% participants stated learning specific work skills, gaining experience for a degree program, or earning money as the top reasons for participating in the program.

SWT participants hold favorable views toward the SWT program.

- Nearly all (90.9%) SWT program participants reported being either *satisfied* (39.6%) or *very satisfied* (51.3%) with their experience.
- Similarly, nearly all (93.8%) SWT participants indicated that they were either *likely* (23.1%) or *very likely* (70.7%) to recommend the program to their friends.
- When asked about whether participants had already recommended the SWT program to their friends, an overwhelming majority (98.0%) said yes.

SWT participants express positive opinions regarding the U.S., 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 (85.7%) of respondents indicated that their experience in the U.S. was either *very good* (33.3%) or *excellent* (52.4%).
- After participating in the SWT program, individuals reported a positive change in their views about several aspects of the U.S., including:
 - **The U.S.** in general: Over three fourths (76.1%) of SWT participants reported a positive change in views regarding the U.S.
 - **American culture:** Slightly under three fourths (72.0%) of SWT participants reported a positive change in their view of American culture.
 - **American people:** A similar percentage (74.1%) of SWT participants reported a positive change in how they view American people.
 - **American companies:** Over half (61.5%) of SWT participants reported a positive change in how they perceive American companies.
 - **American way of doing business:** A similar percentage (63.9%) of SWT participants reported a higher opinion about how Americans conduct business.

SWT participants gained better understanding of the U.S.

- Most participants (86.9%) *agreed* that the SWT experiences helped improve their English.
- Nearly all (90.9%) *agreed* that they had a better understanding of American culture, and many (79.3%) *agreed* they had gained a better understanding of the American way of doing business.

SWT participants felt they obtained skills and knowledge that will help them in the future.

- Almost all (93.8%) SWT participants *agreed* or *strongly agreed* that the experience would help them in the future.

- Most *agreed* or *strongly agreed* that the program provided a valuable work experience (78.4%) and taught them specific work skills (78.6%).
- A majority (82.2%) of participants felt that their SWT experience *would help* their career.

Currently employed SWT participants thought the SWT experience helped with their career.

- Nearly two thirds (63.5%) of participants who were currently employed full time stated that their SWT experience has *helped somewhat* or *a lot* in obtaining their current job.
- A majority of SWT alumni reported that certain skills learned during the program, such as learning to interact with people different from themselves (90.4%) and being able to adjust to different situations/be more flexible (96.1%), *helped somewhat* or *a lot* in obtaining their current job.

SWT alumni reported making friends with Americans and staying in touch with those friends after they left the U.S.

- Nearly all (94.3%) SWT participants reported making friends with Americans.
- A majority (87.7%) of SWT participants who reported having made American friends indicated that they kept in touch with some of them after they left the U.S.

Employers are satisfied with the program.

- Nearly all employers (90.9%) were either *satisfied* or *very satisfied* with the SWT Program.
- The majority (90.6%) said they would be *likely* or *very likely* to recommend the program.
- Most employers (70.6%) said they would be *very likely* to recommend the program to another business or organization in seasonal areas.

Employers feel that SWT participants positively contribute to the workplace.

- Nearly all (98.2%) employers reported that SWT program participants interact *well* or *very well* with members of the community.
- A vast majority (92.1%) of employers *agreed* or *strongly agreed* that SWT program participants contributed to a positive culture in the workplace.
- Most (96.8%) felt that SWT participants brought fresh ideas and innovative solutions.

According to employers participating in the SWT program, there is a seasonal labor shortage and absence of the program would have a negative impact on business.

- Almost all (96.8%) employers reported experiencing a shortage of seasonal workers, with more seasonal jobs available than workers to fill them.
- Half (50.8%) of the employers surveyed stated that the absence of SWT participants would have a *big negative impact* on their revenues.

Participating employers indicated that their businesses would suffer without the SWT program.

- One quarter (27.6%) of employers reported that it was *likely* or *very likely* that they would not be able to stay open during the season.
- Roughly half (44.8%) of employers said that it was *likely* or *very likely* that they would have to reduce hours of operation.
- Slightly over one quarter (28.7%) of employers reported that it was *likely* or *very likely* that they would have to lay off permanent staff after the season.

SWT participants contribute to local economies:

- The total estimated contribution of SWT exchange visitor participants to the U.S. economy in 2016 was about \$509 million.
- That roughly equals \$5,300 per participant.

The downward trend in youth employment is best explained by competing priorities of American youth enrolled in school rather than 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.
- BLS reports higher summer school enrollment during the same time period.²³ Similarly, a Pew Research report notes community volunteerism and internship programs have become 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 that youth not enrolled in school are more likely to be employed in year- round work and therefore less likely to seek seasonal employment.⁴

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 the 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.

Analysis suggests 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 participants worked showed a relationship between the number of SWT placements in a community and factors related to seasonal labor shortages.
 - SWT placement was higher in locations with fewer people ages 18-24 enrolled in institutions of higher learning (standardized coefficient= $-.01$)

² <https://www.bls.gov/opub/btn/archive/declining-teen-labor-force-participation.pdf>

³ <http://www.pewresearch.org/fact-tank/2015/06/23/the-fading-of-the-teen-summer-job/>

⁴ https://www.bls.gov/spotlight/2011/schools_out/

$p=.0001$). Given the short-term nature of these jobs and 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 There were more SWT participants in areas with higher workforce participation (standardized coefficient= $-.029$, $p=.001$), suggesting higher levels of competition with other businesses in similar industries for seasonal employees.
- o SWT placement was positively related with commute time to work (standardized coefficient= $-.022$, $p=.001$), meaning seasonal areas with longer work commute times from neighboring cities had higher SWT participation.

SWT Program Review

Overview

The State Department's SWT program allows college and university students enrolled full time and pursuing studies at post-secondary accredited academic institutions located outside the U.S. to come to the U.S. to share their culture and ideas with Americans through temporary work and travel opportunities. It is currently the largest public diplomacy program in the U.S., bringing more than 100,000 participants annually for a four-month stay during their home university summer break periods.

Summer Work Travel is one category of the J-1 Exchange Visitor Program (EVP), a program first authorized by Congress following World War II. Operated by the Bureau of Educational and Cultural Affairs (ECA) of the U.S. State Department, the EVP provides opportunities for around 300,000 foreign visitors per year to experience U.S. society and culture and engage with Americans. The J-1 visa is issued in fifteen different categories, 13 of which include privately funded programs that are implemented under the auspices of the State Department's Office of Private Sector Exchange. The State Department designates more than 1,500 for-profit, non-profit, or federal, state, and local government entities to conduct such private-sector programs. Exchange visitors on private sector programs may study, teach, research, share their specialized skills, or receive on-the-job training for periods ranging from a few weeks to several years. In addition to the 13 private-sector exchange categories, of which SWT is one, the J-1 visa program also includes two categories that are publicly funded: International Visitors and Government Visitors.⁵

Through the SWT program, participants live and work in the US, gaining exposure to American culture and society. Employment in seasonal temporary jobs enables students to underwrite the cost of the program and cover their living expenses.^{6,7} The average cost to participate in the SWT program is \$2700, including all fees and air tickets.⁸ As a point of comparison, a year as an international student at a US college or university averages \$35,370 at a public institution and \$45,370 at a private institution.⁹

Exchange visitors improve their English skills, learn about American business practices and work culture, and interact with American co-workers and customers through their day-to-day work environment. Outside of their work hours, participants are encouraged to learn more about American culture by getting involved in their communities. Program sponsors and employers offer participants additional opportunities to gain a broader cultural understanding of the

⁵ <https://j1visa.state.gov/wp-content/uploads/2017/02/J1-Visa-Fact-Sheet-2017.pdf>

⁶ Guidance Directive 2013-02. Summer Work Travel Purpose and Placements. U.S. Department of State. <https://j1visa.state.gov/wp-content/uploads/2013/02/2013-02-swt-purpose-and-placements.pdf> Accessed 7/8/17.

⁷ <https://j1visa.state.gov/wp-content/uploads/2013/02/2013-02-swt-purpose-and-placements.pdf>

⁸ Based on information gathered in March 2017 from program sponsors, we computed the average of all costs including program fees, visa fees, government fees, health and accident insurance, and airfare.

⁹ <https://trends.collegeboard.org/college-pricing/figures-tables/average-published-undergraduate-charges-sector-2016-17>

American people and their customs and values through programs and events they organize.¹⁰

The SWT program engages American businesses as host employers. Host employers hire workers to meet their needs for peak business seasons after demonstrating that those needs cannot be met through local hires. Since the “summer” in SWT refers to the summer school break for the participant, the program operates with winter arrivals, spring arrivals and summer arrivals.¹¹

SWT sponsor organizations are designated by the Department to operate the program according to regulations the State Department has put in place to further public diplomacy aims while ensuring the safety of SWT participants and certifying that the program does not displace American workers. Sponsors are monitored by the State Department to ensure compliance with these regulations.

The SWT program is a public-private partnership between designated sponsors and the Private Sector Programs of the State Department. Students pay for the program, and their fees fund sponsor costs for providing oversight and regulatory compliance. Students are tracked in the US by the Department of Homeland Security (DHS) through the Student Exchange Visitor Information System (SEVIS) and pay a SEVIS user fee to fund the tracking activity. Part of this SEVIS fee is transferred by DHS to State to pay for ECA costs of overseeing the private sector exchanges.

How the Summer Work and Travel Program Operates

The Mutual Educational and Cultural Exchange Act (Fulbright-Hays) of 1961 authorizes the Bureau of Educational and Cultural Affairs at the Department to conduct exchange programs “to increase mutual understanding between the people of the U.S. and the people of other countries by means of educational and cultural exchange; to strengthen the ties which unite us with other nations by demonstrating the educational and cultural interests, developments, and achievements of the people of the U.S. and other nations, and the contributions being made toward a peaceful and more fruitful life for people throughout the world; to promote international cooperation for educational and cultural advancement; and thus to assist in the development of friendly, sympathetic, and peaceful relations between the U.S. and the other countries of the world.”¹² The ECA oversees both government funded and private sector programs under the EVP using the J-1 visa. Private-sector programs make up about 85% of the exchange activity, amounting to nearly 300,000 exchanges annually. Of these, more than 100,000 are in the SWT category.¹³

Many entities work to ensure a successful SWT program.

- **Sponsors**: U.S. organizations approved by the Department to manage the SWT program.
- **Overseas Agencies**: Work in partnership with sponsors to select the right students for

¹⁰ <https://j1visa.state.gov/events/>

¹¹ <https://j1visa.state.gov/wp-content/uploads/2016/11/November-3-2016-Program-Date-Chart.pdf>

¹² <https://www2.ed.gov/about/offices/list/ope/iegps/fulbrighthaysact.pdf>

¹³ <https://j1visa.state.gov/basics/facts-and-figures/>

the program.

- **Employers:** U.S. companies that offer jobs to international student participants.
- **Participants:** International students who come to the U.S. for cultural exchange, work and travel for a period of four months.

Private Sector Programs Division: Office in ECA at the Department. There are four offices within the Private Sector Exchange Division with responsibilities for the SWT program: the Offices of Designation, Exchange Coordination and Compliance, Private Sector Exchange Administration, and Policy and Program Support. These offices also oversee other exchange visitor programs the ECA administers. Together, these offices review sponsors for designation approval; establish regulatory standards; conduct necessary supervision and co-ordination of the program sponsors; and determine the possible number of program participants annually.

Sponsor Profile and Responsibilities

There are currently 40 State Department-designated SWT sponsors.¹⁴ From a review of their websites, they range from 7 to 70 years of experience facilitating exchanges. The average years working with exchange visitors is 36 years.

One third of sponsors are non-profit organizations with an articulated mission involving the value of cultural exchange to individuals and countries. Most non-profit sponsors work with many categories of J-1 participants and have been operating for 25 years or longer.

Two-thirds of sponsors are for-profit companies. Most of these also articulate a mission involving the value of cultural exchange to countries and individuals. Of this group of 27 sponsors, a third operate closely to the non-profit model above, pursuing exchanges in most categories. Another third seems to operate with only SWT and trainee/intern categories across a range of employers. And yet another third has a narrow scope and provide J-1 staffing for a particular company/camp or industry (e.g. Walt Disney, Camp Counselors USA, United Work and Travel/American Pool).

Designated U.S. sponsors must run their SWT program under the regulations contained in 22 CFR 62.32.15 U.S. The Department of State designation grants the sponsor authorization to issue J-1 visa applications to international students. The sponsor is held accountable for fulfilling its responsibilities according to the J-1 visa regulations. The sponsor, as the entity that contracts with the Overseas Agency recruiting participants, and with the employer offering a job to a participant, must ensure that the overseas agent and the employer fulfill their responsibilities. The regulatory framework¹⁶ outlines requirements for:

- Participant recruitment and selection
- Participant orientation and care in the U.S.

¹⁴ <https://j1visa.state.gov/participants/how-to-apply/sponsor-search/?program=Summer%20Work%20Travel&state=any>

¹⁵ http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=1bc531bf257789e45b3049bff8b50d64&r=PART&n=22y1.0.1.7.35#se22.1.6_2_132

¹⁶ <https://www.gpo.gov/fdsys/pkg/CFR-2012-title22-vol1/pdf/CFR-2012-title22-vol1-sec62-32.pdf>

- Employer recruitment and vetting and job placement
- Cross-cultural activities

Overseas Agents Profile and Responsibilities

U.S.-based sponsors contract with overseas agents to promote the program and to select suitable candidates for the program. Overseas agents are responsible for tasks such as: distributing information and application materials, screening for English language proficiency, verifying applicant information, assisting participants with navigating the visa application process, and help with making travel arrangements. Overseas agents will help match participants with available jobs identified by the sponsor, often preparing participants for live or virtual job fair interviews. Most overseas agents are also responsible for conducting a pre-departure orientation and serve as a home-country emergency contact resource. Overseas agents collect a program fee from participants, and remit an agreed-on portion of that fee to the U.S. sponsor to pay for sponsor administrative costs and medical insurance, retaining the balance to pay for their costs to recruit, screen, and prepare participants for their exchange.

Employer Profile and Responsibilities

Most SWT participants are placed with employers in beach and resort towns, ski resorts, and other vacation and tourist destinations. They work in hospitality, food service, retail, amusements, aquatics, or other casual labor jobs.¹⁷ Employers run the gamut from small family restaurants to fast-food chains, bed and breakfast inns to hotel chains, and boardwalk amusement piers to multi-state amusement park companies, ski resorts, and National Park Service concessionaires. Sponsors often work with the same employers each year.

When recruiting and vetting businesses to be SWT-approved employers, sponsors ensure that all jobs are seasonal and will not displace American workers. Jobs must provide interaction with co-workers or customers.

Employers commit to guarantee a minimum number of hours of work per week and pay the prevailing wage or minimum wage. Jobs cannot involve any type of patient care or physical handling or manipulation of clients, factory labor, or driving. Employers must show a commitment to the cross-cultural aims of the exchange visitor program.

Participant Profile and Responsibilities

Participants are post-secondary school students enrolled in and actively pursuing a degree or other full-time course of study at an accredited classroom-based, post-secondary educational institution outside the U.S. They also must be proficient in English.¹⁸ Participants hail from 120

¹⁷ To determine where jobs are located, we reviewed the job listing pages of sponsors and their overseas agents. Jobs were located in beach towns, resort areas, national parks, and tourist destinations with jobs in the hospitality, amusements, food service, and retail industries. See, <https://www.ciee.org/work-travel-usa/students/get-started/job/>, <https://www.studentagency.sk/pracovni-a-au-pair-pobyty/USA/Work-and-travel/>, <https://www.ckm.sk/files/WAT-USA-2017/Coastal-Hospitality-Virginia-Beach-VA-a-Nags-Head-NC-2017.pdf>, and <https://j1ireland.com/jobs/>.

¹⁸ <https://j1visa.state.gov/programs/summer-work-travel>

Review of Summer Work Travel Program

different countries, with more than 4,000 participants coming from Jamaica, Romania, Turkey, Peru, China, Bulgaria, Philippines, Thailand, Ukraine, Ireland, and Serbia¹⁹.

Once accepted to the program, participants are issued a DS-2019 form which allows them to apply at a U.S. Consulate for the J-1 exchange visitor visa. The consular official has the final say over whether the participant will be granted a visa. The participant typically must show sufficient ties to their home country for the consular official to be satisfied of their intent to return home at the end of the program.

Participants can find a job or be matched with a job through the sponsor and its overseas agent. Participants pay for their housing and commuting costs. Sponsors look at the housing situation in the area to ensure that participants can secure safe and affordable housing within a reasonable walking, biking, or public transit commute from the job site.

Sponsors support their participants by helping them to secure social security cards, by ensuring participants understand their rights as employees, and by being available to resolve participant/employer disputes. Sponsors also initiate contact with participants on a monthly basis to monitor the program. Participants must accept this contact and report any problems to the sponsor. Participants must keep the sponsor informed of their work place and place of residence.

Program Time Line and History

Exchange visitor programs have been operating in the U.S. for nearly 100 years, since the end of World War I. 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. While participant numbers specifically for the SWT program are not available as far back as 50 years, we do know that the number of J-1 visas issued for all exchange visitors in 1966 was 49,550.²⁰ By 2016, it was 339,712.²¹

1919-1940	Several non-governmental organizations formed following WWI to foster exchanges to create understanding among nations.
1945-47	Non-governmental organizations involved in exchanges before WWII resume and new NGOs formed to facilitate exchanges and to support cultural, orientation, and placement activities of government-sponsored exchanges.
1948	Smith-Mundt Act passed by Congress to “promote a better understanding of the U.S. in other countries, and to increase mutual understanding” between Americans and people in other countries. ²²

¹⁹ Calendar Year 2016 Summer Work Travel Program Top Sending 20 Countries. Presentation at Department of State Annual Sponsor meeting 3/13/17.

²⁰ <http://files.eric.ed.gov/fulltext/ED019025.pdf>

²¹ <https://travel.state.gov/content/dam/visas/Statistics/Non-Immigrant-Statistics/NIVDetailTables/FY16%20NIV%20Detail%20Table.pdf>

²² <https://www.state.gov/documents/organization/177574.pdf>

Review of Summer Work Travel Program

1961	Congress passes the Fulbright-Hays Act to increase mutual understanding between the people of the U.S. and the people of other countries. ²³ The act authorized the formation of the Exchange Visitor Program, and the J-1 visa. The Bureau of Educational and Cultural Affairs oversees the program and is authorized to designate non-profit organizations to execute the program. Initial designations were for academic programs, but gradually expand to other categories. Most exchanges are with Europe and Latin America.
1963	Summer Work and Travel (SWT) J-1 category established.
1966	49,550 J-1 visas issued to exchange visitors. ²⁴
1972	President Nixon's trip to China; cultural exchanges from China and Japan increase.
1975	80,000 J-1 visas issued to exchange visitors. ²⁵
1983	President's Youth Exchange Initiative created by Ronald Reagan to promote increase in exchanges. Many current sponsor incorporations date from this time. ²⁶
1988	128,781 J-1 visas issued to exchange visitors. ²⁷
1989	Berlin Wall falls – exchanges with former Eastern Bloc countries commence.
1990	140,000 J-1 visas issued to exchange visitors. ²⁸
1991	Dissolution of Soviet Union.
1992	Exchanges with newly independent states (NIS) of the Soviet Union commence.
1997	Exchange visitor J-1 visas reach 179,598 issued. ²⁹
2001	Exchange visitor J-1 visas reach 261,769 issued. ³⁰
2002	Exchange visitor visas drop to 253,841 following 9/11 and stay flat until 2005. New initiatives are started to increase exchanges from Muslim-majority countries. ³¹

²³

<https://www2.ed.gov/about/offices/list/ope/iegps/fulbrighthaysact.pdf><https://www2.ed.gov/about/offices/list/ope/iegps/fulbrighthaysact.pdf>

²⁴ <http://files.eric.ed.gov/fulltext/ED019025.pdf>

²⁵ <http://www.gao.gov/assets/130/123457.pdf>

²⁶ <http://www.presidency.ucsb.edu/ws/index.php?pid=42131>

²⁷ <https://travel.state.gov/content/dam/visas/Statistics/Non-Immigrant-Statistics/NIVClassIssuedDetailed/NIVClassIssued-DetailedFY1987-1991.pdf>

²⁸ Ibid.

²⁹ <https://travel.state.gov/content/dam/visas/Statistics/Non-Immigrant-Statistics/NIVClassIssuedDetailed/NIVClassIssued-DetailedFY1997-2001.pdf>

³⁰ Ibid.

³¹ <https://travel.state.gov/content/dam/visas/Statistics/FY06AnnualReportTableXVIB.pdf>

2006	Numbers rebound and grow to 309,951 J-1 visas issued. ³² 129,219 are for SWT. ³³
2008	Exchange visitor visas total 359,447. ³⁴ SWT numbers peak at 153,372. ³⁵ US enters economic recession.
2009	Exchange visitor visas drop to 313,597. ³⁶ SWT numbers drop to 101,312. ³⁷
2011-2012	Department of State begins to issue regulatory changes for SWT program; program participation capped at 2011 participation level of 109,189. ³⁸
2016	Exchange visitor visas total 339,712. ³⁹ SWT participants total 101,061. ⁴⁰

Program Growth Leads to Calls for More Oversight

The SWT program grew dramatically over the past 20 years. Student participants swelled from fewer than 20,000⁴¹ in 1996 to 56,000 in 2000 and 88,500 in 2005. Participation peaked in 2008 to nearly 153,000⁴² before the recession caused it to sag. In 2010 there were 132,000 participants and 103,000 in 2011. In 2011, the ECA limited the program's growth.

As early as 1990, however, the General Accounting Office (GAO) expressed concerns about the ability of the private-sector exchanges office to oversee the growing J-1 exchange visitor program. The 1990 report indicated that J-1 visa regulations were too vague and that the office overseeing programs and sponsors did not keep accurate records nor did it subject sponsors to regular review.⁴³

The Office of Inspector General (OIG) conducted a review in 2000 of the DOS management of the J-1 exchange visitor program. While the report focused on the trainee category and not the SWT program, it expressed an overall finding that the EVP office was unable to effectively administer and monitor the exchange visitor program primarily because of inadequate resources. It also expressed concern that lax monitoring had created an atmosphere in which

³² Ibid.

³³ Calendar Years 2005-2016 Summer Work Travel Participation Levels. Presentation at Department of State Annual Sponsor meeting 3/13/17.

³⁴ https://travel.state.gov/content/dam/visas/Statistics/FY10AnnualReport-TableXVI_B.pdf .

³⁵ Calendar Years 2005-2016 Summer Work Travel Participation Levels.

³⁶ Nonimmigrant Visas Issued by Classification (Including Crewlist Visas and Border Crossing Cards) Fiscal Years 2006-2010.

³⁷ Calendar Years 2005-2016 Summer Work Travel Participation Levels.

³⁸ Ibid.

³⁹ <https://travel.state.gov/content/dam/visas/Statistics/Non-Immigrant-Statistics/NIVDetailTables/FY16%20NIV%20Detail%20Table.pdf>

⁴⁰ Calendar Years 2005-2016 Summer Work Travel Participation Levels.

⁴¹ <https://oig.state.gov/system/files/217892.pdf> p. 22

⁴² Calendar Years 2005-2016 Summer Work Travel Participation Levels.

⁴³ <http://www.gao.gov/assets/150/148648.pdf>

program regulations could easily be ignored and/or abused.⁴⁴

The GAO released another report in October 2005, this time including the SWT category. The GAO recognized that exchange programs were an effective way to expose citizens of other countries to the American people and culture, but noted concerns in previous GAO and OIG reports about program management which had not been addressed by the State Department and noted that there was a risk for abuse of the SWT program. The GAO report said that program sponsors were also asking for updates to the regulations and for consistent enforcement. The report called for strong action to enhance overall management and monitoring of the SWT and trainee programs, including fully implementing a compliance unit to monitor exchange activities; updating and amending regulations; and developing strategies to obtain data on overstays, program abuses, and other risks associated with the program. The State Department acknowledged these weaknesses.⁴⁵

Other than the government's own GAO and OIG reports, no other comprehensive studies of the SWT program appear to have been conducted.

Program growth did result in increased reports of program-related problems being reported in the press. A December 2010 Associated Press (AP) article reported alleged abuses and exploitation of participants in the 2010 SWT program. The AP report was based on interviews with 70 of the 120,000 participants in the program that year and focused on participants who were placed in inappropriate jobs, offered low wages, faced unexpected costs, and who were placed in substandard housing.⁴⁶

At the same time, program growth fueled private-sector concerns that participants were taking jobs away from Americans. A briefing paper by the Economic Policy Institute (EPI) in July 2011 tried to make that case, citing a perceived lack of protection for U.S. workers; the Department's overbroad authority to create new guest worker programs; perceived financial incentives for visa sponsors and their partners; and recapping the GAO and OIG reports of the program's flawed system of management, data collection, over-sight, compliance, and enforcement.⁴⁷ The EPI report concluded that "(i)f the Exchange Visitor Program is to continue, the State Department should provide evidence demonstrating how the country benefits culturally and educationally from having 300,000 workers enter the country each year to take jobs that young Americans desperately need. Such action cannot be justified without any showing that U.S. workers are unavailable, and without the basic protection of a prevailing wage to prevent against adverse effects on the wages of U.S. workers."⁴⁸ In its December 2011 report *Cheap Labor as Cultural Exchange*, the Center for Immigration Studies (CIS) called on the Department to reform the SWT program so that it would advance the nation's foreign policy goals without seriously damaging the labor market for young Americans. CIS believed the program was causing

⁴⁴ <https://oig.state.gov/system/files/8539.pdf>

⁴⁵ <http://www.gao.gov/assets/250/248145.pdf>

⁴⁶ <http://www.foxnews.com/us/2010/12/06/ap-impact-fails-tackle-student-visa-abuses.html>

⁴⁷ <http://www.epi.org/files/2011/BriefingPaper317.pdf>

⁴⁸ Ibid.

damage primarily by the failure of the Department to reform its record of weak regulation and indifference to the domestic labor market.⁴⁹

Other studies, however, showed a trend to lower youth employment not related to SWT and posited that fewer American students were seeking traditional summer jobs due to other factors such changes in the educational system calendar, requirements to perform volunteer service in order to graduate, and expectations for college students to secure internships in their intended field.⁵⁰

SWT Regulatory Changes

The Department began ramping up program oversight and compliance of the SWT program in 2010. It announced in January 2011 a new pilot program targeting several countries where there had been instances of abuse in jobs offered. New requirements articulated the types of prohibited job placements; increased requirements for employer vetting; and required hiring of participants prior to issuance of DS-2019 forms.⁵¹

The State Department issued an Interim Final Rule (IFR) on the SWT program in April 2011 to go into effect with the 2012 program participants. It required hiring prior to DS-2019 issuance for all participants from non-visa waiver countries and expanded the employer-vetting requirements from the pilot program to all placements. It also stipulated that jobs must pay the prevailing federal and state minimum wage and increased vetting of overseas agents. In addition, sponsors were required to have monthly personal contact with all participants to assess and assure their well-being.⁵²

After reviewing the results of the pilot program for 2011, the State Department reported that the number of program complaints received remained unacceptably high and included reports of improper work placements, fraudulent job offers, job cancellations on participant arrival in the U.S., inappropriate work hours, and problems regarding housing and transportation. During the summer of 2011 there were problems with SWT participants placed in Hershey, Pennsylvania, a situation that received widespread press coverage, reporting problems with housing and work placements. To address these issues, the State Department issued a cap on SWT participation levels tied to the 2011 actual numbers and placed a moratorium on new-sponsor designations.⁵³

In May 2012, a revised interim final rule was issued, effective for the summer 2012 season that outlined additional regulations on employer vetting, appropriate job placements, including requirements to assure seasonality of jobs and to ensure that jobs provide contact with U.S. citizens. Also addressed was sponsor responsibility to assess the availability, suitability, and affordability of housing and local transportation to the job site.⁵⁴ In 2013, further guidance was given regarding supervision of lifeguards and change of employer.

⁴⁹ <http://cis.org/sites/cis.org/files/SWT-Report.pdf>

⁵⁰ <http://www.pewresearch.org/fact-tank/2015/06/23/the-fading-of-the-teen-summer-job/>

⁵¹ <https://j1visa.state.gov/wp-content/uploads/2012/09/pilot-guidelines-summer-work-travel-program-1-5-2011.pdf>

⁵² https://j1visa.state.gov/wp-content/uploads/2012/09/dos_frdoc_0001-1491-1-.pdf

⁵³ <https://j1visa.state.gov/wp-content/uploads/2012/07/SWT-Freeze-notice-11-7-2011.pdf>

⁵⁴ <https://j1visa.state.gov/wp-content/uploads/2012/05/2012-swt-ifr.pdf>

Program management audits to demonstrate compliance with regulations were mandated in a final rule for Subpart A of the J-1 regulations, issued in January 2015. The final rule also required disclosure of itemized fees and costs for program applicants.⁵⁵

In January 2017, the State Department published a Proposed Final Rule that would consolidate the changes from previous interim rules and guidance directives.⁵⁶ In promulgating this and previous rulemakings, the State Department says it “continues to advance a comprehensive rulemaking strategy to: (i) Protect the health, safety, and welfare of exchange visitors on this important program; (ii) respond to issues identified during monitoring and ongoing oversight; (iii) articulate consistent and robust minimum standards for program administration; (iv) prioritize the quality of the exchange visitor experience; and (v) fortify the program’s purpose as an important U.S. public diplomacy tool.”⁵⁷

Sponsor Reports on Implementation of Regulatory Changes

As part of our engagement, we interviewed four representative program sponsors to get their feedback on the impact on the program and their organization of implementing the regulatory changes.

Overall, sponsors were very pleased with the impact of the regulatory changes. One impact is that it levels the playing field among competing organizations. Before the reforms, it was left to each individual sponsor to do as much or as little as they could get away with regarding oversight of their program. The new employer-vetting requirements alone required staffing increases for most sponsors to get the required business license paperwork stipulated by the new regulations. Now that all sponsors have had to raise their program operations to a common standard, they report that the overall program is much better.

The increased employer-vetting requirements also allowed sponsors to strengthen relationships with employers who embrace the cross-cultural goals of the program, allowed for stronger on-going orientation for others, while eliminating those who were not willing to comply with the program requirements.

Sponsors also increased vetting of overseas agents under the new regulations, and report releasing some who were not promoting the program as an exchange program or may have been adding additional fee charges to participants.

Sponsors reported the unanticipated benefit of working collaboratively with other sponsors—normally their competitors—along with community organizations and the State Department to deliver on the cross-cultural and orientation components of the program at the local level in the U.S. They have reported this as a positive outcome.

Some sponsors narrowed their organizational footprint to enhance their ability to support participants with on-ground staff. They have increased on-ground local coordinators and head office site visit monitoring trips and employer visits. With 30-day checks on participants,

⁵⁵ https://j1visa.state.gov/wp-content/uploads/2014/10/Subpart-A-Federal-Register-publication-8893_PublishedFR_10-6-2014.pdf

⁵⁶ https://j1visa.state.gov/wp-content/uploads/2017/01/9522_PublishedFR_01-12-2017.pdf

⁵⁷ Ibid.

sponsors can monitor participant employer experience, and regional, housing, and transportation issues to detect problems or to make sure things going well. As a result of this monitoring, many sponsors have stopped placement in areas where the local housing is too expensive or bicycle travel too dangerous.

Although sponsors have had to increase the cost of the program to the participant in order to add staffing and program components to come into compliance with reforms, they report that demand for program has remained high and participants have been able to bear the higher costs. And although many participants were first attracted to the program because of the potential to earn money while they were here, through better screening and orientation, participants now understand that the primary focus of the program is cultural exchange.

GAO Report Cites Program Improvements

The GAO released a report in February 2015 that found that the State Department had successfully strengthened program requirements and expanded its oversight to better ensure the health, safety, and welfare of SWT participants. Incident report review found that there were few complaints and incidents in the 2014 program year. The GAO recommended that additional study should be conducted to assess cultural exchange activity and fees paid to overseas agents.⁵⁸ Both of these items are included in the Proposed Final Rule published January 2017.⁵⁹

The report noted that by allowing large numbers of young, educated people—approximately 79,000 in 2014—to experience life in the U.S. each year and to return home to share their experiences, the SWT program offers the potential to strengthen U.S. relationships abroad and further U.S. public diplomacy.⁶⁰

Conclusion

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 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.

⁵⁸ <http://www.gao.gov/products/GAO-15-265>

⁵⁹ https://j1visa.state.gov/wp-content/uploads/2017/01/9522_PublishedFR_01-12-2017.pdf

⁶⁰ <http://www.gao.gov/products/GAO-15-265>

Participant Alumni Survey: Detailed Findings

Methodology

An online survey of SWT alumni was administered on May 4, 2017. A reminder invitation was sent to participants on May 11, 2017, and the survey was closed on May 16, 2017.

The survey covered topics such as primary reasons for participation in the program, personal and professional impact of the program on participants, overall experience in the program, and the impact of the program on participants' perspective of American life and culture.

A total 3,025 alumni completed the survey. Survey data was reviewed and cleaned to include only valid survey responses. For example, the dataset was cleaned to remove participants who completed the survey in 10% half the time it took to complete the online questionnaire, on average⁶¹. This ensured that participants did not complete the survey without reading the questions and options fully.

The final sample size for the SWT alumni survey was 2,800. Respondents to the survey participated in the program between 2012 and 2016.

Participant Characteristics

Countries of Citizenship

Based on the data received by the Alliance members, SWT alumni represented 185 countries. The top countries of citizenship were:

- Jamaica (9.6%)
- Romania (8.4%)
- Bulgaria (8.1%)
- Ukraine (6.1%)
- Philippines (5.0%)
- Serbia (5.0%)
- China (4.9%)
- Turkey (4.1%)

PARTICIPANT CHARACTERISTICS

Participants represented 185 countries.

Top country of citizenship:
Jamaica

Top county of placement:
Columbia County, WI

Almost half of SWT alumni are students.

32% work full time.

Among those working full time, 39% are managers or above.

For most, SWT was their first exchange program.

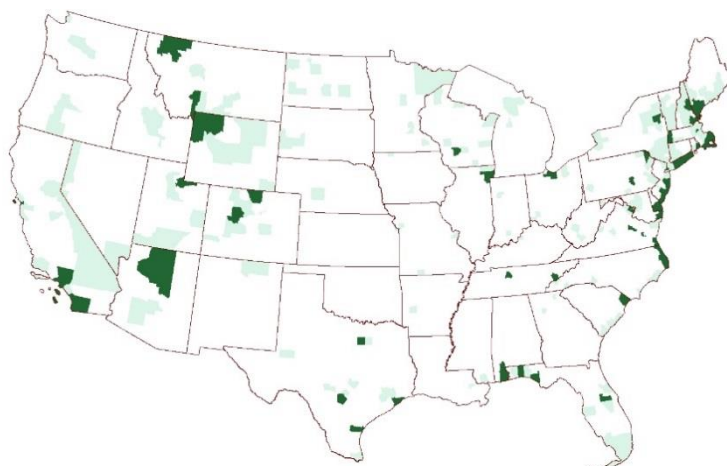
⁶¹ The time it took respondents to complete the survey, when survey completion occurred over the course of days, was taken into consideration when calculating the mean. Exclusions were based on the standard deviations of mean completion time.

Placement

Between 2012 and 2016 SWT participants worked in nearly every state in the nation. Placements were higher in the coastal resort areas and tourist destinations away from the coasts.

- Columbia County, Wisconsin (6%)
- Erie Country, Ohio (3%)
- Worcester County, Maryland (3%)
- Horry County, South Carolina (2%)
- Cape May County, New Jersey (2%)
- Virginia Beach City, Virginia (2%)
- Davidson County, Tennessee (1%)
- Williamsburg City, Virginia (1%)

Figure 1. Map of SWT Participant Placement



Blank: 100 or less; Light Green: 101 – 1,000; Dark Green: 1,001 – 16,121

Participation in Other Exchange Programs

In addition to the SWT program, a small proportion of participants also participated in several J-1 exchange visitor programs.

The category with the largest proportion of participation from SWT alumni was college and university student programs (7.7%); approximately 5% of participants (4.8%) also participated in either international visitor or trainee programs (see Table 1).

Table 1. STW Alumni Participation in Other J-1 Exchange Visitor Programs

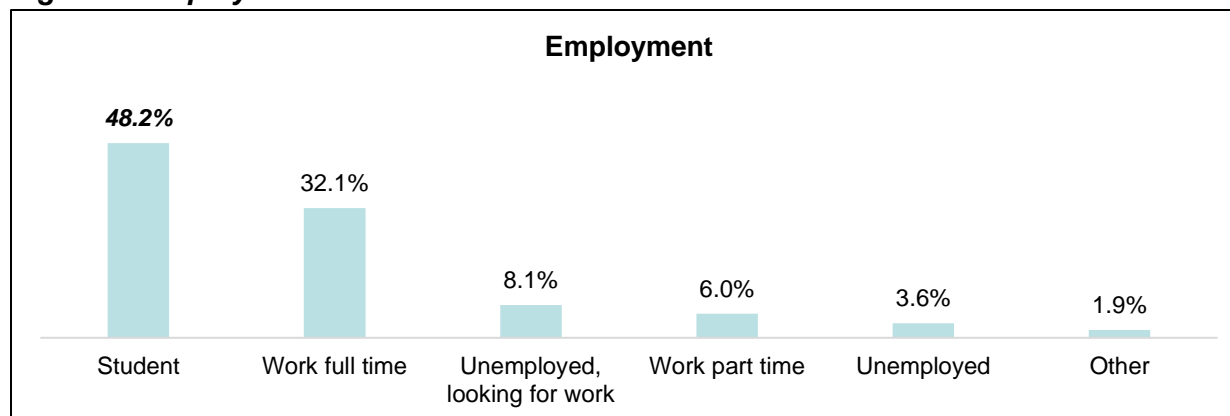
Other J-1 Exchange Visitor Programs	%
College and University Student	7.7%
International Visitor	2.4%
Trainee	2.4%
Camp Counselor	1.8%
Secondary School Student	1.1%
Teacher	1.1%
Au Pair	1.0%
Short-Term Scholar	0.9%
Specialist	0.6%
Government Visitor	0.5%
Intern	0.5%
Physician	0.3%
Professor and Research Scholar	0.3%
I did not participate in another program	81.9%

A vast majority (81.9%) of participants did not participate in another J-1 exchange visitor program compared to those who did (20.6%). For the majority of participants (85.5%), participation in the SWT program was also their first trip to the U.S.

Employment Status

About one third (32.1%) of SWT alumni who completed the survey report working full time (Figure 2). Nearly half (48.2%) of SWT alumni who completed the survey said that they are attending a college or university, with 10.0% reporting that they are pursuing an advanced degree. The other category accounts for SWT alumni who are self-employed, have been attending university and working, or doing an internship.

Figure 2. Employment Status



Industry of Employment

More than one third (34.3%) of SWT participants currently work in the service industry (Table 2). The service industry category includes work in information technology, travel, retail, real-estate, and agriculture. Thirteen percent of participants work in finance and 9% in education, which includes education for children and older populations.

Table 2. Type of Business or Organization in Which Participant Currently Employed

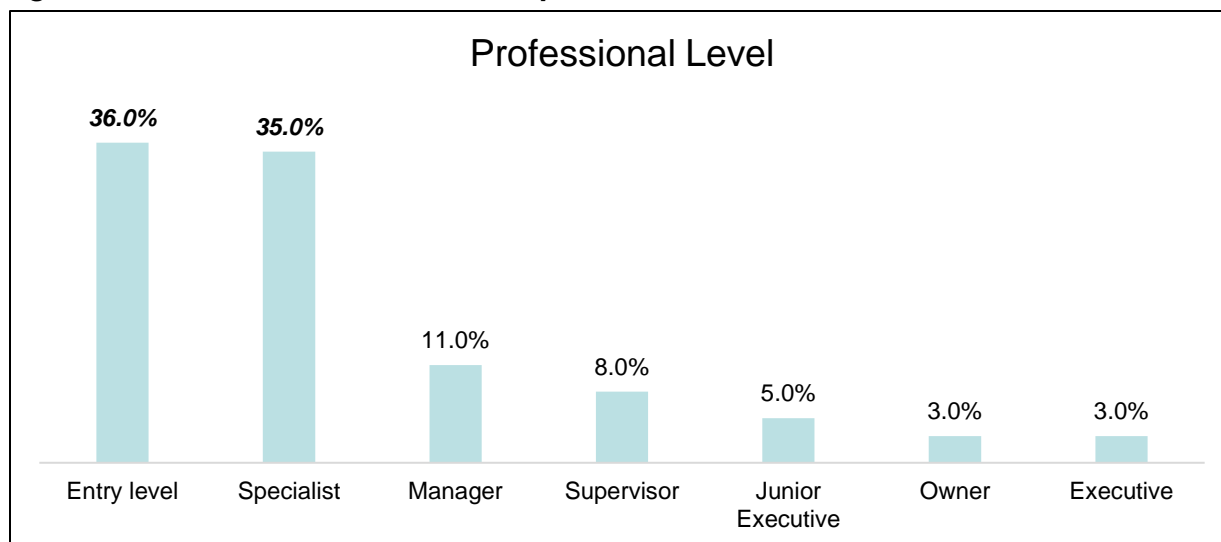
Business or Organization	n	%
Service	316	34.3%
Finance	120	13.0%
Education	81	8.8%
Science	72	7.8%
Media	72	7.8%
Manufacturing	46	5.0%
Government	35	3.8%
Health	26	2.8%
Non-Government Organization (NGO)	21	2.3%
Law	11	1.2%
Sports	6	0.7%
Other ⁶²	116	12.6%

Professional Level in Business or Organization

When participants were asked to describe their professional level in their business or organization, more than two-thirds responded with either Entry Level (36.0%) or Specialist (35.0%) (Figure 3). The remainder (29.0%) have achieved a level of a Manager or above.

⁶² "Other" category consists of SWT alumni who mainly work in the culture, tourism, and entertainment industry.

Figure 3. Professional Status of Participant



Proportions reflect a professional level of manager and above.

Program Experience

Participant Satisfaction

Nearly all (91%) SWT program participants reported being either *satisfied* (40%) or *very satisfied* (51%) with their experience. When participants were asked to rate certain aspects of the SWT program, nearly 90% of participants described the interactions with their fellow SWT alumni as either *good* or *excellent* (88.6%). Nearly 90% of participants also rated their interactions with American workers (87.1%) and their interactions with customers (87.9%) as *good* or *excellent*.

Similarly, nearly all (94%) SWT participants indicated that they were either *likely* (23.1%) or *very likely* (70.7%) to recommend the program to their friends (see Appendix A, Table A.1). When those who were likely to recommend were asked whether participants had already recommended the SWT program to their friends, an overwhelming majority (98.0%) said yes (Table A.2).

Qualitative interviews with SWT alumni echoed participants' high levels of satisfaction with the program as seen in the survey results:

[SWT is] a real experience that is no match with anything you can do with other programs (SWT participant, 2015).

[The US Department of State] should continue the program... every student should be able to try this, to grow and get a better understanding of things and learn to be on their own. (SWT participant, 2015).

It was amazing and, if I could do it again, in a heartbeat, I would (SWT participant, 2016).

Motivation for Participation and Benefits

Cultural Exchange

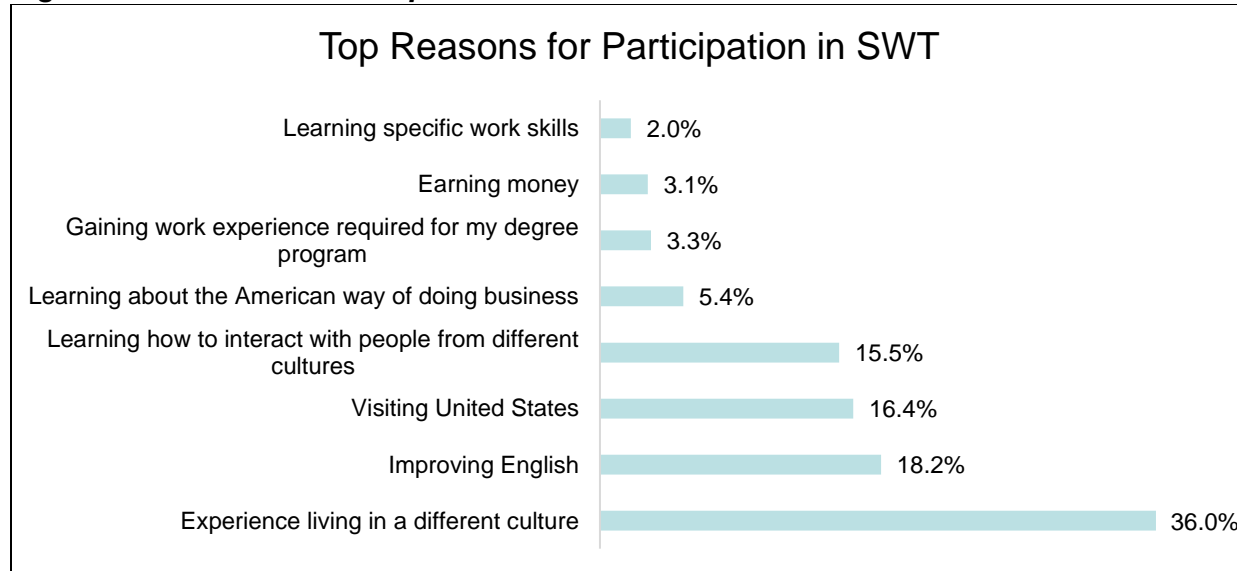
When SWT participants were asked to state their top reason for participating in the SWT program, more than one third (36.0%) said it was to *experience living in a different culture* (Figure 4). Additionally, 18.2% of SWT alumni said that *improving English* was a top priority for them as well. Other reasons related to cultural exchange such as *visiting the U. S.*, *learning to interact with people of different cultures*, and *learning about the American way of doing business* were mentioned by 37.1% of the participants. In contrast, *earning money* was mentioned as a top reason for participating in the SWT program by only 3.1% of the participants. *Gaining work experience or learning specific work skills* were also mentioned by a small percentage (5.1%) of participants as the top reason for joining SWT program. Qualitative interviews confirmed cultural exchange as a top reason for participating in SWT. As one former participant said:

I really just wanted this experience. My parents had never done anything like this, and I thought it was a great way to experience a different culture and give me memories I could cherish forever. (SWT participant, 2012 and 2013)

REASONS FOR SWT PARTICIPATION

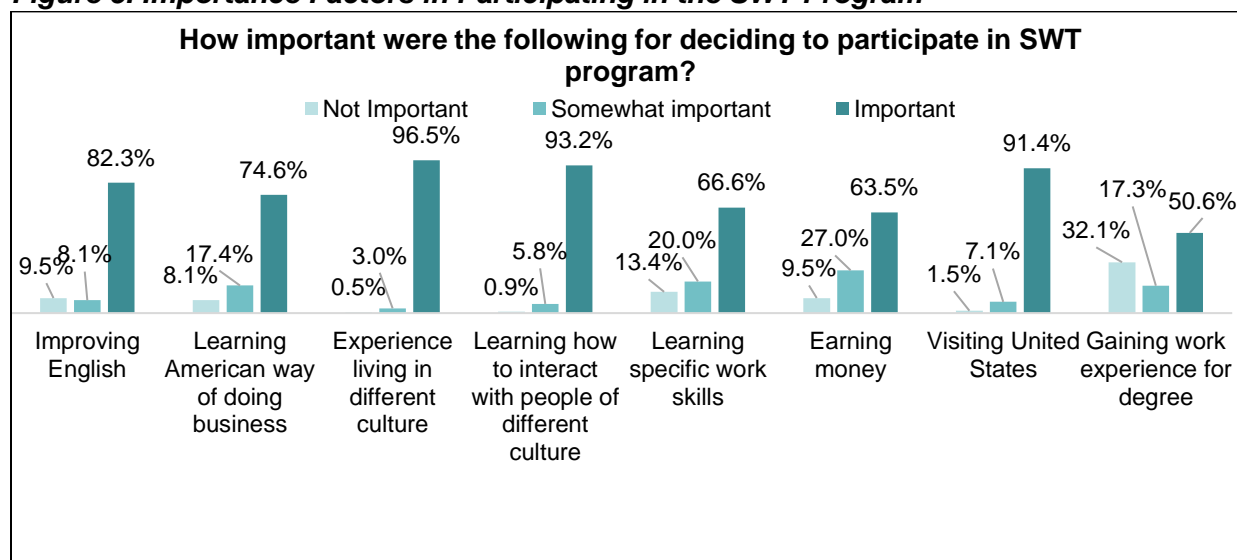
Cultural exchange or improving English was mentioned as the top reason for joining the program by over 90% of participants. Few participants joined the program to earn money or to learn specific skills.

Figure 4. Reasons for Participation in SWT



The degree of importance participants assigned to their specific reasons for joining the program align with those top reasons for doing so. Results show a large proportion of participants (74.6%) stating the experience of living in a different culture as *very important* (Figure 5, Table A.3).

Figure 5. Importance Factors in Participating in the SWT Program



Many participants (67.9%) found the process of learning how to interact with people of different cultures as *very important* as well. Ninety-one percent of SWT alumni also thought visiting the U.S. was *important* or *very important* to their decision to participate in the SWT program. On the other hand, few participants rated earning money as *important* or *very important* in comparison to other reasons. Similarly, fewer participants rated *gaining work experience* or *learning specific skills* as *important* or *very important*. This data shows that participants decide to be a part of the SWT program not solely for financial reasons. Opportunities to engage with people from a different culture and to develop skills to operate in an increasingly diverse world were more important drivers in their decision making.

Impact on Future Career Options

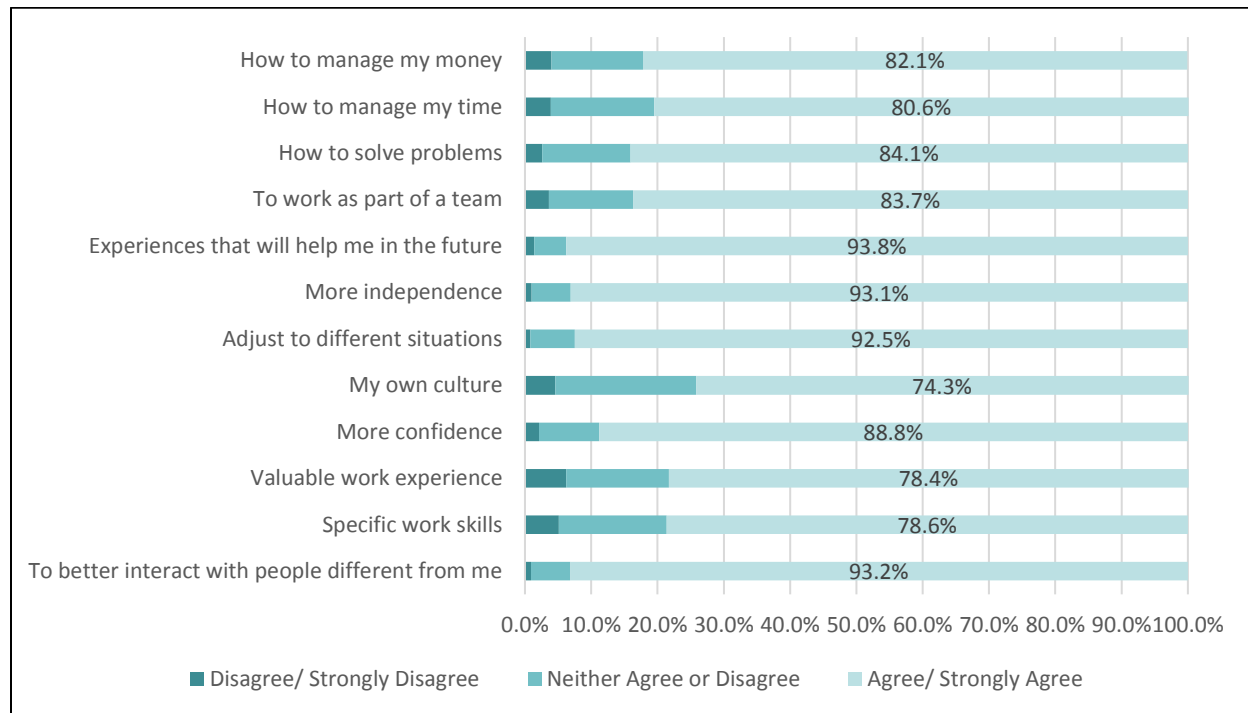
Participants were asked how much they think the SWT experience helped their career and a vast majority (82.2%) selected that it helped *somewhat* or *a lot* (Table 3).

Table 3. Participant Perception on Whether SWT Will Help Career

How much do you think your SWT experience will help...		Will not help at all	Will help a little	Will help somewhat	Will help a lot
In your career	%	5.1%	12.8%	38.4%	43.8%
	n	96	243	729	832

SWT alumni were also asked questions regarding what they learned during their SWT program experience. As shown in Figure 6, nearly all participants *agreed* or *strongly agreed* that they learned to *better interact with people different from themselves* (93.2%) and had *experiences that will help them in the future* (93.8%). Additionally, a large majority of participants also *agreed* or *strongly agreed* that the SWT program helped them *adjust to different situations* (92.5%) and become *more independent* (93.1%). Although many thought they gained *valuable work experience* (78.4%) or *learned specific work skills* (78.6%), they were less likely to agree with those statements (see also Table A.4).

Figure 6. What SWT Participants Learned or Experienced During the Program



Qualitative interviews further highlighted the skills and knowledge gained from SWT participation. For example, one participant remarked on the skills gained in teamwork.

Professionally, I learned to work in a team because that is most of the job... everything is teamwork and I think that is very important (SWT participant, 2016).

In addition to specific work skills, participants also remarked on more general and transferable skills gained through the program such as intercultural communication, self-reliance, and being more engaged in their communities through activities such as volunteering.

[SWT] helped me improve my English, [and] to have more leadership skills that can help me a lot. [SWT] also gave me different skills to practice in my daily life, to be more independent, to help other people, to participate in more volunteer activities, to have an open mind, to open my eyes to other things [and] people (SWT participant, 2016).

The work and travel expanded my communication skills to be able to connect with whoever I want no matter what they do or where they live (SWT participant, 2015).

Impact on Current Career

Participants who were currently employed full time were asked whether their SWT experience helped them get the job they currently have. The results show that nearly two thirds of all participants said their SWT experience *has helped somewhat* and *has helped a lot* (63.5%) compared to those who selected *has not helped at all* or *has helped a little* (36.5%) (Table 4).

PERSONAL IMPACT

Most participants believed that the SWT experience helped them adjust to different situations and they increased their independence.

Most believe that these experiences will help them in the future.

In fact, participants who are now working confirm that these learnings did help them in their career.

Table 4. Participant Perception on Whether SWT Helped Obtain Current Job

How much do you think your SWT experience helped you...		Has not helped at all	Has helped a little	Has helped somewhat	Has helped a lot
Get the job you currently have	%	15.8%	20.7%	31.3%	32.2%
	n	142	186	282	290

When participants were asked what specific skills helped them get their current job, similar results were found as for SWT participants not currently employed.

Specifically, over 90% of SWT alumni currently employed thought that their experience in the program helped them:

- Learn to interact with people different from themselves.
- Become more independent.
- Become more confident.
- Learn to adjust to different situations/more flexible.

Participants reported that these types of skills *help somewhat* and *help a lot* their current career.

Again, learning specific work skills was not considered as helpful by 42.2% of respondents currently employed, noting that learning specific skills was *not helping at all* or *helping a little*.

Table 5. Assessment of How Skills Learned During SWT Program Helped Participant Obtain Current Job

What skills learned during SWT program helped you get your current job?		Has not helped at all	Has helped a little	Has helped somewhat	Has helped a lot
English language skills	%	6.2%	9.0%	27.0%	57.8%
	n	47	68	205	438
Understanding American way of doing business	%	14.1%	22.4%	35.6%	27.8%
	n	107	170	270	211
Learning to interact with people different from me	%	1.6%	8.0%	28.8%	61.6%
	n	12	61	218	467
Specific work skills	%	18.5%	23.7%	30.6%	27.2%
	n	140	180	232	206
Understanding American culture	%	13.5%	18.3%	30.9%	37.3%
	n	102	139	234	283
Becoming more independent	%	0.4%	5.9%	21.2%	72.4%
	n	3	45	161	549
Becoming more confident	%	0.3%	5.8%	24.0%	69.9%
	n	2	44	182	530
Able to adjust to different situations/more flexible	%	0.4%	3.4%	23.7%	72.4%
	n	3	26	180	549

Public Diplomacy

The survey included several questions/measures to address SWT’s public diplomacy goals. These questions covered topics such as participants’ opinions about the U.S. before and after the program, development and maintenance of friendships, and understanding of American life and culture. The results below demonstrate that overall participation in the SWT program has a positive impact on perspectives and understanding of the U.S. and American culture.

Perceptions and Opinions About the U.S.

In comparison to the opinions held by SWT alumni before participating in the SWT program, close to 80% of participants also became *more positive* or *much more positive* about the U.S. in general after their experience in the U.S. (76.1%) (Figure 7, Table A.5). Furthermore, nearly three quarters of participants (74.1%) described their opinions of American people as becoming *more positive* or *much more positive* after completing the program.

The excerpts below demonstrate that participants had positive experiences with Americans which, in turn, relate to more positive sentiments about the US in general.

Many were very helpful, they helped us adapt to stuff (SWT participant, 2009).

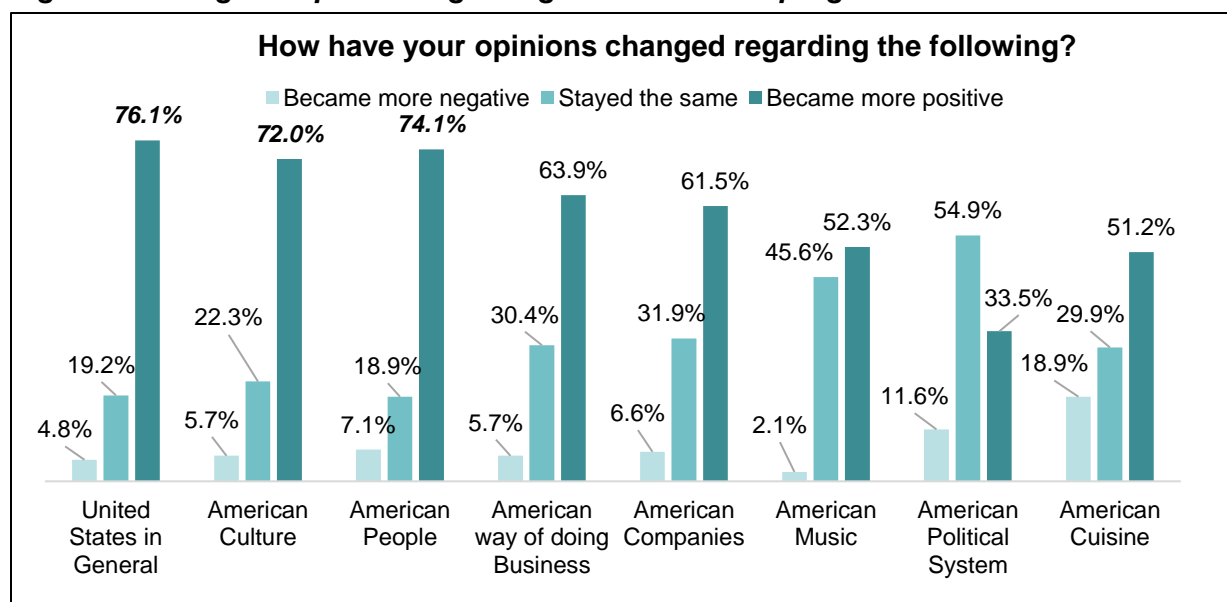
I thought that American people...didn't like to talk to you in a park or in the bank but that's not true...American people was really kind with me... I was walking with heavy bags and an American man told me 'you need help?' ... that changed my point of view (SWT participant, 2016).

I talked to people that were quite polite and I think that Americans have very good manners. (SWT participant, 2016)

A similar result was found when participants were asked to describe their change in opinion regarding American culture; 72.0% said their opinions became *more positive* or *much more positive* after the SWT program.

Regarding the American political system, more than half of all participants' opinions did not change (54.9%). Also, nearly 20% of all participants developed more *negative* or *much more negative* opinions about American cuisine after the SWT program (18.9%).

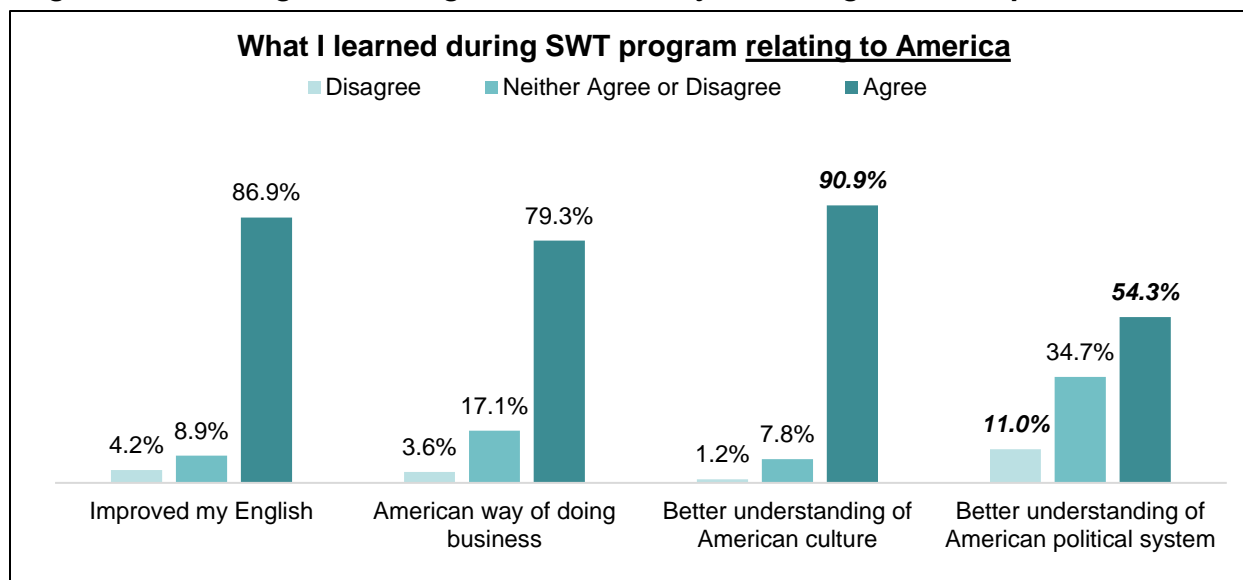
Figure 7. Change in Opinion Regarding U.S. After SWT program



Understanding the U.S.

What participants learned in relation to the U.S. was also assessed. The results show almost 90.9% of all participants either *agreeing* or *strongly agreeing* that they have a better understanding of American culture after the SWT program (Figure 8, Table A.6). Only a little more than half of all participants *agreed* or *strongly agreed* that they received a better understanding of the American political system (54.3%). Additionally, 11.0% of SWT alumni either *disagreed* or *strongly disagreed* with that same statement.

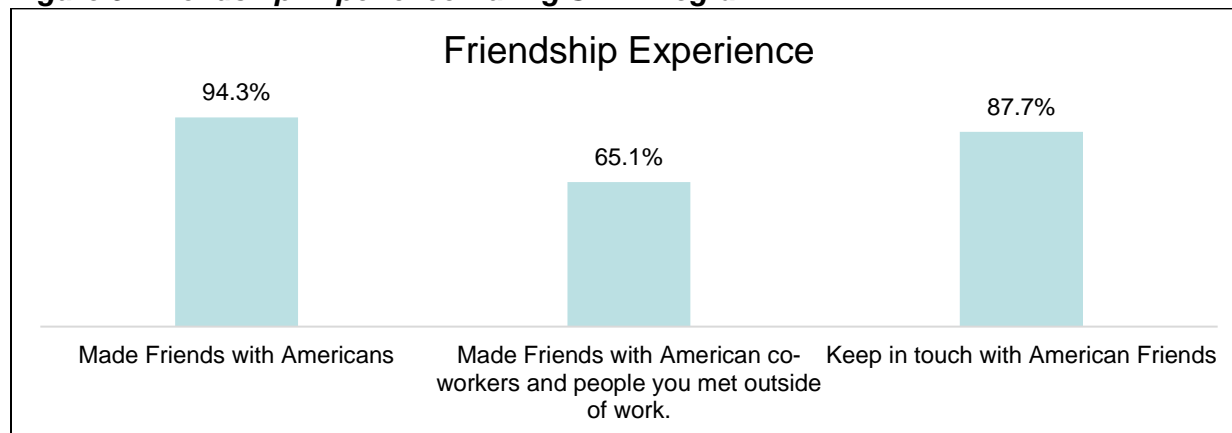
Figure 8. Knowledge Pertaining to U.S. Gained by SWT Program Participants



Making and Maintaining Friendships

Most participants made friends during their experience. The figure below shows nearly all (94.3%) participants making friends during their experience in the U.S. (Figure 9, Table A.7). Nearly two thirds of all participants made friends with both co-workers and people outside of work (65.1%) (Figure 9, Table A.8). Additionally, a vast majority (87.7%) of participants also kept in touch with their American friends after the SWT program.

Figure 9. Friendship Experience During SWT Program



Qualitative interviews show that SWT alumni also made friends with fellow SWT participants.

The company I worked for had students of different nationalities, so it was a great way to socialize with the people...people from all different walks of life; people I otherwise wouldn't cross paths with (SWT participant, 2012 & 2013).

Now I have a lot of friends all over the world and wherever I want to go, I have someone to call (SWT participant, 2016).

As demonstrated by these quotes, forming friendships are important and impactful for participants, but also speak to the larger goals of the SWT program regarding cultural exchange. It is these types of authentic, personalized interactions among participants that support and energize the program's public diplomacy aims.

Returns to the U.S.

About one quarter (24.7%) of SWT participants returned to the U.S. after participation in the SWT program.

Of the participants who returned to the U.S., nearly half (45.8%) reported *tourism* and *visiting friends* as the main purpose of returning (Table 6). Additionally, more than one quarter (27.0%) selected just *tourism* as their main purpose of return. Also, less than a quarter (18.8%) of participants selected *visiting friends* as their main purpose of return after participating in the SWT program. More than 20% of participants listed either temporary work or internship as their main purpose of return travel to the U.S. as well.

Table 6. Main Reason for Participant Return to U.S. following SWT Program

What was the main purpose of your return travel to the U.S.?	n	%
Tourism	187	27.0%
Visit friends	130	18.8%
Temporary work	88	12.7%
Internship	56	8.1%
School	44	6.3%
Job	37	5.3%
Business trip	22	3.2%
To attend conference	4	0.6%
Other ⁶³	125	18.0%

⁶³ The "other" category consisted of SWT alumni returning to the U.S. because of their experiences in the SWT program. Additionally, family was shown to be a large contributor in why SWT participants returned to the U.S.

Employer Survey: Detailed Findings

Methodology

In addition to learning about participants' experiences, this study also surveyed employers to discover insights about their experiences.

An online survey of employers was conducted on May 18, 2017. The survey was closed on May 31, 2017.

A total 461 respondents completed the survey. Survey data was reviewed and cleaned to include only valid survey responses. This process was similar to how the SWT alumni survey was reviewed and cleaned. The final sample size for the SWT employer survey was 405.

Survey questions covered topic areas such as recruitment practices and strategies, the impact of SWT participants on their business, and employers' overall satisfaction with the program.

Employer Characteristics

More than one third (40.5%) of employers who completed the survey listed hospitality as their primary industry (Table 7). Hospitality was defined as employers or businesses that work in the hotel, resort, or vacation industries. Additionally, more than one fourth (27.2%) of all participants listed food service as their primary industry. Food service refers to restaurants, cafes, bakeries or any other business that sells food. Within that food service sector, almost half (41.8%) described their business establishment as a sit-down restaurant. More than one-third (36.4%) of all participants described their business establishment as fast food or fast casual.

EMPLOYER CHARACTERISTICS

More than half (67%) of employers classified their primary industry as hospitality or food service.

Over half of employers identified labor shortage as their main reason for participating in the SWT program.

Cultural exchange identified as an important factor in motivation to participate in SWT program. Cultural exchange and diversity seen as business advantages.

Most (79.0%) of businesses or organizations that participated in the SWT program are small businesses.

Table 7. Primary Industry of SWT Employer Business

Primary industry of your business or organization?	n	%
Hospitality (e.g. Hotel, Resort)	164	40.5%
Food Service (e.g. Restaurant)	110	27.2%
Retail	37	9.1%
Camp	28	6.9%
Amusement (Amusement Park, Arcade)	21	5.2%
National Park or Monument	3	0.7%
Rental and Leasing (Other than Real Estate)	2	0.5%
Real Estate Management	2	0.5%
Other ⁶⁴	38	9.4%

More than three fourths (83.0%) of employers surveyed reported making 50 to 100% of all their revenue during the summer season. Additionally, nearly 20 % (18.8%) of all employers reported 100% of their revenue being earned during the summer season. In contrast, during the winter season, 88.9% of employers listed earning 0% to less than 50% of their revenue at that time. Nearly one fourth (24.7%) of all employers reported earning 0% during the winter season.

Moreover, 80.5% of businesses surveyed were small businesses, defined as having fewer than 50 employees (Table 8).

Table 8. Size of Businesses Surveyed

	Business Size by Number of Permanent Employees		
	50 or Less	51 to 100	Greater than 100
Proportion of SWT Participating Businesses Surveyed	80.5%	7.6%	11.9%

SWT Seasonal Employment Rates

Each business establishment or organization that participated in the SWT program was asked how many SWT participants, permanent employees, and non-SWT seasonal employees were employed in 2016.

Looking across all participating SWT businesses, just over a fifth (22.4%) of the overall seasonal workforce was comprised of SWT participants.

When stratifying by business size, results showed that 24.3% of the seasonal workforce of smaller businesses (defined as those with 50 permanent employees or less) was comprised of SWT participants (Table 9). In medium-sized businesses (those with 51 to 100 permanent employees), less than 20% (18.7%) of all employees were SWT participants. The employee

⁶⁴ The “other” category consists of employers in the arts, entertainment, and recreation industry. Additionally, employers also work in transportation and landscape services.
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base among large SWT participating businesses (greater than 100 employees) had the smallest portion of SWT employees, with participants accounting for less than 12% of total number of employees.

Table 9. Proportion of SWT Employees Within Seasonal Workforce of Businesses Participating SWT in 2016

	Business Size by Number of Permanent Employees		
	50 or Less	51 to 100	Greater than 100
Amount of SWT employees employed in 2016 by SWT-participating businesses in proportion to total number of employees	24.3%	18.7%	11.8%

These data show that, overall, a small portion of individuals employed by businesses participating in SWT in 2016 were SWT participants. Smaller businesses seemed to benefit the most from the program, as a greater portion of their seasonal workforce was comprised of SWT participants compared to larger businesses.

Still, less than a quarter of employees in these smaller businesses were SWT participants. In fact, the vast majority of employees among all businesses participating in SWT were non-SWT employees.

Employer Support/Assistance

During the SWT program, employers had the option to provide housing, transportation, and cultural activities for the workers. More than one third, provided on-site housing for participants (Table 10). More than a quarter (28.9%) of employers also said that they provide housing located in the community and not on-site. Additionally, 34.3% of employers did not provide any housing for SWT participants.

Table 10. Provision of Housing to SWT Program Participants by Employer

Did you provide housing to SWT program participants?	n	%
Yes, on site	149	36.8%
Yes, in the community	117	28.9%
No	139	34.3%

As discussed in the previous section, opportunities for cultural exchange were important to both participants and employers. A majority (83.2%) of employers provided access to some type of cultural activity or outing for SWT participants (Table 11). More than half, though, did not provide transportation to those events. Event types ranged from visits to museums or historical sites to attending a U.S. sporting event.

IMPACT OF SWT PROGRAM ON BUSINESS

A sizeable proportion (69.1%) of employers reported that a lack of participation would have a *big impact* on their ability to do business.

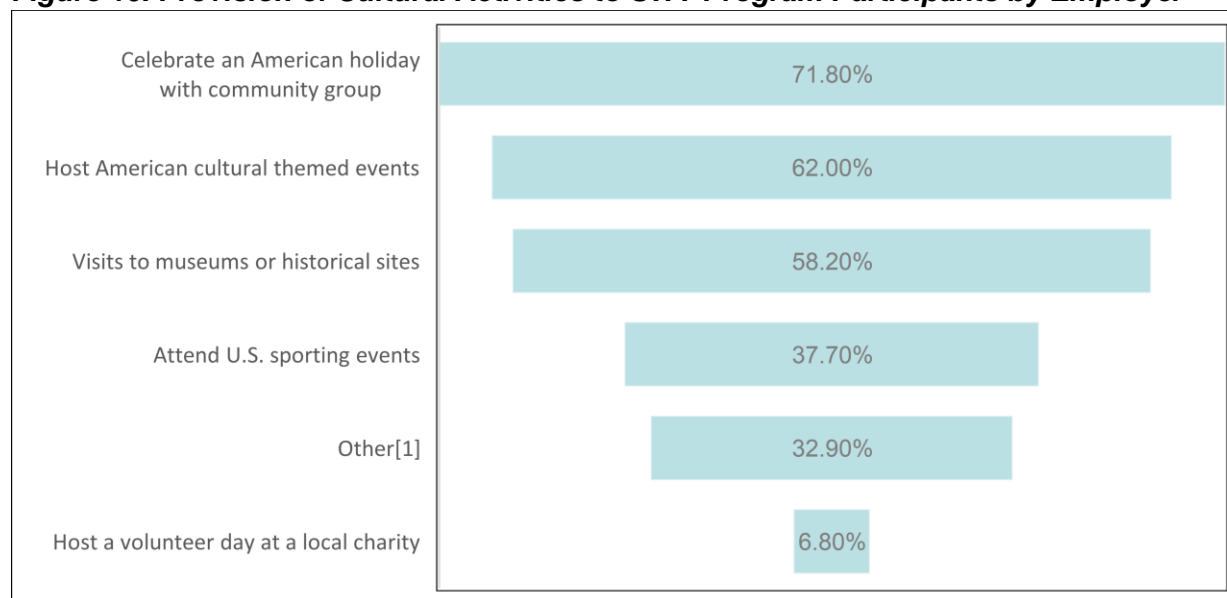
While a majority (71%) of employers could stay open, cancelling reservations, reducing hours of operation and services provided would be detrimental consequences of not having SWT employees.

Table 11. Provision of Cultural Activities and/or Outings for SWT Participants by Employer

Did you provide access to or arrange cultural activities and/or outings for SWT program participants?	%
Yes	82.2%
No	17.8%

Nearly three fourths (71.8%) of employers celebrated U.S. holidays with their SWT employees in a community group (Figure 10, Table B.1). Nearly two thirds (62.0%) of employers provided or organized some type of American cultural-themed events for their SWT employees. A lower proportion of employers provided other cultural activities while employers hosted volunteer days at local charities for their SWT employees the least (6.8%).

Figure 10. Provision of Cultural Activities to SWT Program Participants by Employer



Employer Satisfaction

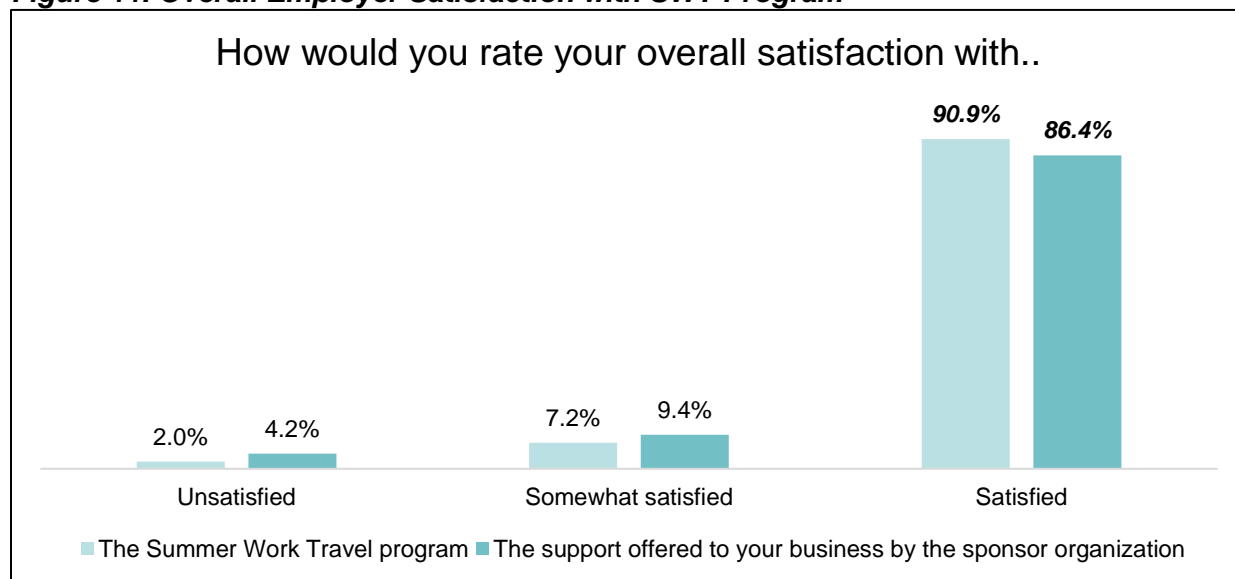
Employers who participated in the SWT program were asked to rate their overall satisfaction with the program and the support offered to their business by sponsor organizations. Results show that nearly all (90.9%) employers were either *satisfied* or *very satisfied* with the SWT program (Figure 11, see also Appendix E Table B.2).

The majority (86.4%) of employers were either *satisfied* or *very satisfied* with the level of support offered to them by their sponsor organization. Of the employers who rated the support as *satisfactory* or *very satisfactory*, more than half (57.8%) said they were *very satisfied* with the support offered by sponsor organizations.

SATISFACTION

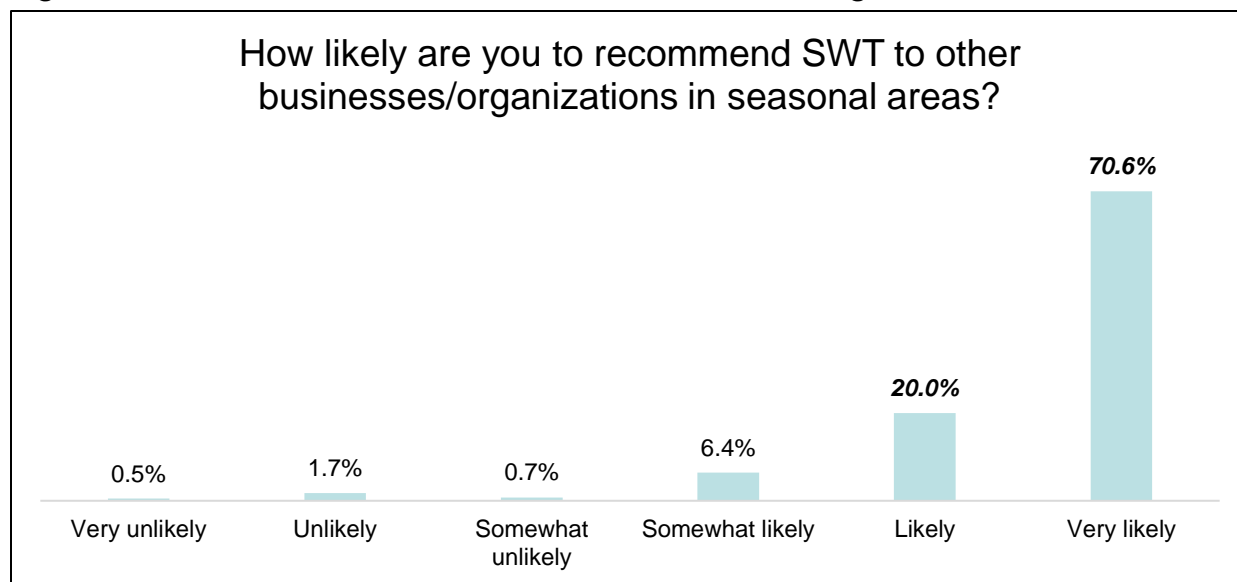
An overwhelming majority (91%) of employers were *satisfied* or *very satisfied* with the program.

Figure 11. Overall Employer Satisfaction with SWT Program



Employers were also asked to how likely they would be to recommend the SWT program to another business or organization in seasonal areas. Nearly all (90.6%) employers said that they would be *likely* or *very likely* to recommend the SWT program (Figure 12). Of the employer respondents who were *likely* or *very likely* to recommend, 70.6% said that they would be *very likely* to recommend the SWT program to another business or organization in seasonal areas.

Figure 12. Recommendation of SWT to Other Businesses/Organizations



Motivation for Participation

Labor Shortage and Cultural Exchange

Every business or organization was asked to state the main reason why they participated in the SWT program. A majority (51.4%) of employers identified *labor shortages* as the primary reason for SWT participation (Table 12). However, it is also important to note that nearly a third (30.5%), cited *cultural exchange* as an important factor in their motivation for participation. These figures are similar to alumni survey data which found that *cultural exchange* was an important factor (30.5%) for alumni when describing their main reason for participation. This data demonstrates that it is a combination of economic factors and a desire to have some degree of cultural exchange driving employers’ SWT participation.

Table 12. Main Reason for SWT Employer Program Participation

Main reason for SWT program participation	n	%
Labor shortage	204	51.4%
Cultural exchange	121	30.5%
Quality workers	49	12.3%
Other ⁶⁵	23	5.8%

Furthermore, when employers were asked about other advantages of participating in the SWT program besides filling seasonal job vacancies, *cultural exchange* was again found to be an advantage for more than half (52.1%) of respondents. Additionally, diversity and quality of workers was found to be an advantage for 17.8% of employers.

⁶⁵ Responses for this “other” category were unclear or unrelated to the question.
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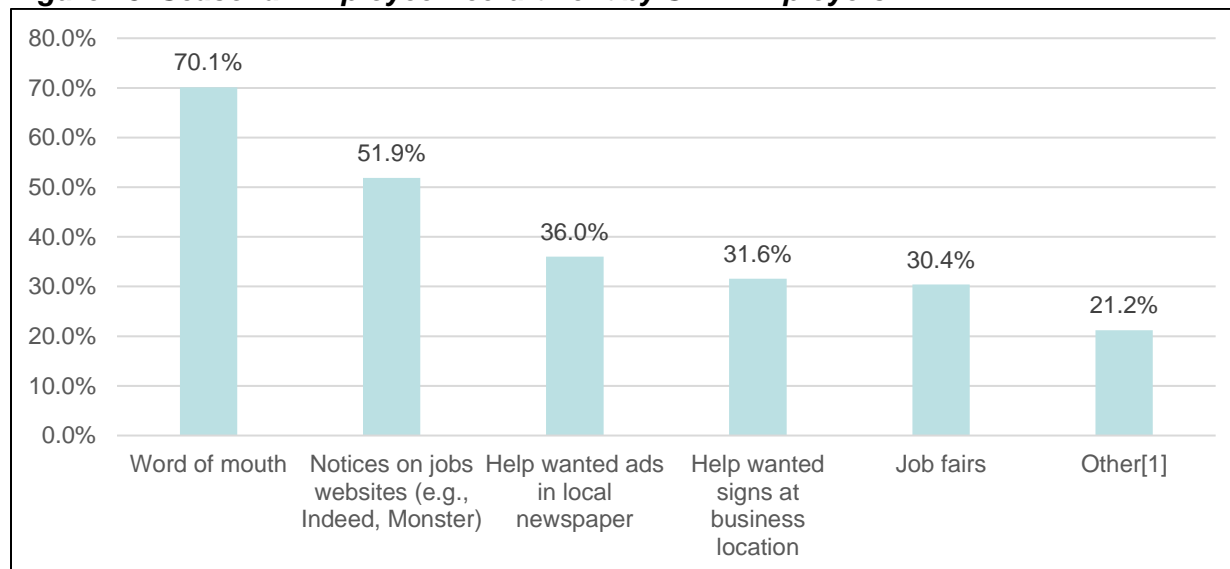
Employer Recruitment Efforts

A vast majority (70.1%) of employers typically recruited seasonal employees via *word of mouth* (Figure 13, Table B.3). Additionally, more than half (51.9%) of employers reported recruiting seasonal employees using *job websites*. A smaller percentage of employers used *help wanted ads in local newspapers*, *help wanted signs at their establishments* and participated in *job fairs*. For those who did use job fairs for their recruitment, more than half (53.7%) were sponsored by *local educational institutions* and nearly half (44.7%) were *self-sponsored* (Table B.4). Most (87.8%) of these job fairs were not sponsored by the *local government*.

Qualitative interviews indicated difficulty in hiring and retaining American students.

Already are doing everything possible to recruit U.S. students. Have had 12-15 programs and haven't been successful. Have had task force to figure out how to retain personnel (general manager, large resort, Wisconsin Dells).

Figure 13. Seasonal Employee Recruitment by SWT Employers



Impact on Business

Employers were also asked to describe the availability of their local workforce to fill seasonal jobs in their area. Overall, 96.8% of all employers reported a labor shortage. In other words, employers in the SWT program have more seasonal jobs available than workers to fill them. This finding is consistent with employers citing “labor shortage” as a main reason for participation in the SWT program.

Qualitative interviews attribute labor shortage to two main factors. First, in resort communities, there are not enough people to fill seasonal vacancies.

Wisconsin Dells is a tourist destination in the Midwest. The community has 6,000 people. We require 1,400 employees. Domestically, we are always hiring, but to make it work we need an influx of staff (general manager, large resort, Wisconsin)

This is a coastal town with a small year-round population (director operations and human resources, indoor amusement park, New Jersey)

The simple economics of American students working in resort communities are the second factor.

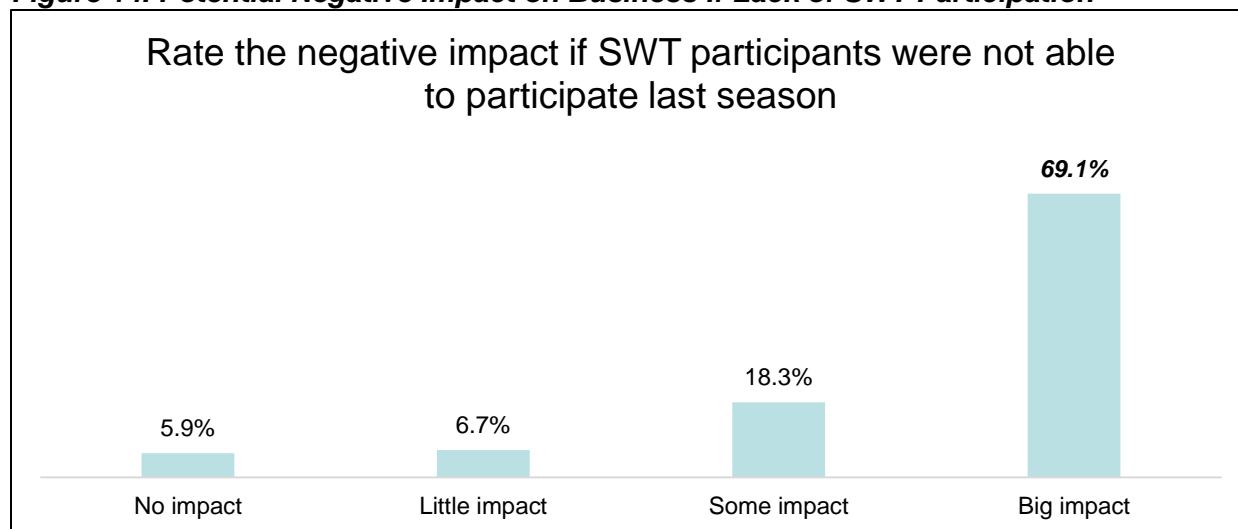
They (American students) won't come work for me because they can't afford to (HR director, retail, Maryland)

These themes are consistent with the statistical model presented later in this report that local labor shortages predict the number of SWT placements in an area and reflect the reasons why summer work participation among American youth continues to decline.

Lack of SWT Programs Equals Negative Business Outcomes

When asked to rate the negative impact to their business if SWT participants were unable to participate last season, an overwhelming majority (87.4%) of employers responded that a lack of participation would have *negatively impacted* their ability to do business (Figure 14). More specifically, nearly 70% (69.1%) of employers reported that they would have experienced a *big negative impact* to their businesses if participants did not participate in the previous season while an additional 18.3% responded that a lack of participation would have *some negative impact* on their ability to do business.

Figure 14. Potential Negative Impact on Business If Lack of SWT Participation



Qualitative interviews illustrated the two findings discussed below that the lack of SWT workers would have impact on employers' ability to:

- Operate.
- Provide high-quality customer service.

Business manager interviews, in fact, tie the two together.

If we didn't have the students, we would have less rides open, less hours the park would be open, less food offerings, less revenue. This would affect revenue and the ability to

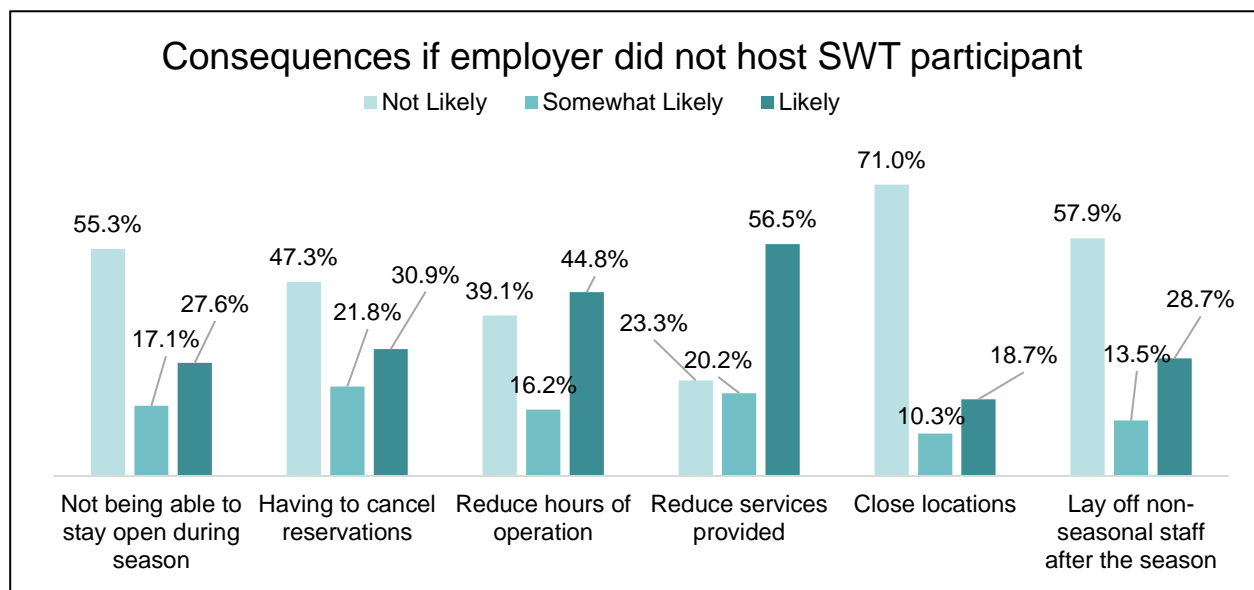
sustain operations year-round. It would stifle capital projects. It would have a “trickle up” effect. Everything is impacted; the entire supply chain. Hours and services could not be the same (human resources manager, indoor amusement park, Wisconsin).

Without the program, we would have half the staff and couldn't run the business with half the people. Plus, profits would drop immensely. Customer service would drop, there would be many complaints. It would affect future sales (director, operations and human resources, amusement park, New Jersey).

I would have to close stores because I could not staff them. There are no ifs, ands, or buts. I can guarantee half, maybe a third, would have to close. They are at least a third of my work of workforce (HR director, retail, Maryland).

Employers were asked about the likelihood of specific negative consequences occurring without SWT participation in the previous season. Results show that 52.7% of employers report that the cancellation of reservations would be *somewhat likely* or *more likely* if SWT participants were unavailable for participation (Figure 15, Table B.5). Additionally, almost two-thirds (60.9%) of employers said that they would *likely*, *somewhat likely*, or *very likely* to reduce their hours of operation without SWT participants. Moreover, 76.7% of employers reported that they would have *likely*, *somewhat likely*, or *very likely* reduced the services they provided if they had not hosted SWT participants during the last season.

Figure 15. Consequences of Not Hosting



While a majority (71%) of employers could stay open, cancelling reservations, reducing hours of operation and services provided would be detrimental consequences of not having SWT participants as a part of their employment teams.

Since a large portion of SWT participants were employed in the hospitality and food service industries, employers were also asked to rate the negative impact of wait times and customer

satisfaction if SWT participants were unavailable for participation last season. Results show nearly two-thirds (66.3%) of employers said the lack of participation would have had a *big negative impact* on wait times (Table 13). Additionally, an even larger proportion of employers reported that the lack of SWT participants during the last season would have had *some negative impact* or a *big negative impact* on wait times.

Table 13. Estimated Negative Impact of Lack of SWT Participation on Customer Service

How would you estimate the negative impact on...		No Impact	Little Impact	Some Impact	Big Impact
Wait times	%	4.5%	8.8%	20.4%	66.3%
	n	16	31	72	234
Customer satisfaction	%	2.9%	6.7%	21.4%	68.9%
	n	11	25	80	257
Revenue	%	8.0%	12.4%	25.8%	50.8%
	n	34	53	110	217

When asked to estimate the impact on customer satisfaction, 90.3% of employers said that if SWT participants had not been available last season, they would have experienced *some negative impact* or *big negative impact* on customer satisfaction, with more than two-thirds (68.9%) of employers reporting a *big negative impact*. Additionally, over half (50.8%) of employers said there would likely be a *big negative impact* on revenue if they had not hosted SWT participants.

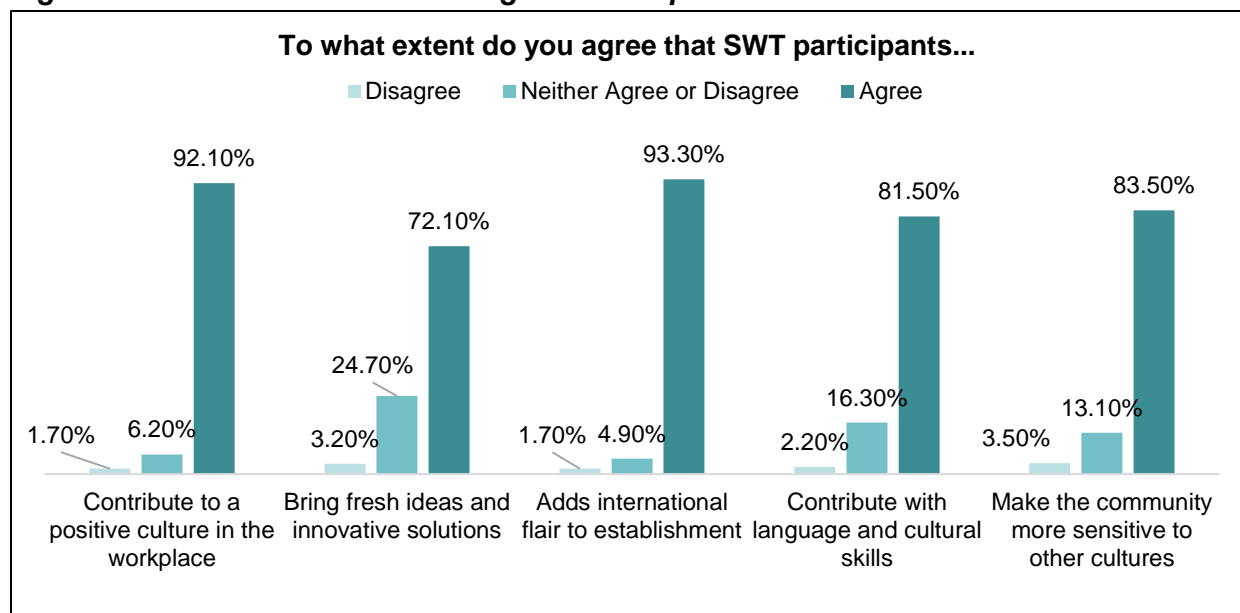
Summer Work Travel Changes the Business Culture

Recognizing that SWT participants' interactions with customers and their community is an important component of measuring the successful impact of the program, employers were asked several questions about participants' exchanges with their employers, customers and community members. Nearly all (97.8%) employers reported that their customers interact *well* or *very well* with SWT program participants. Additionally, more than two thirds (71.1%) of employers interact with SWT program participants *very well*.

When asked how well members of the community interact with SWT program participants, employers rated their interactions as *well* or *very well* a large majority (98.2%) of the time. Additionally, employers reported that members of the community interacted with SWT program participants *very well* more than two-thirds (70.1%) of the time.

In addition to interaction and exchanges as an important gauge of impact, employers were also asked how well SWT program participants contributed to several activities at the business or organization. A vast majority (92.1%) of employers *agreed* or *strongly agreed* that SWT program participants contributed to a positive culture in the workplace (Figure 16, Table B.6). A majority (93.3%) of employers also *agreed* or *strongly agreed* that SWT program participants add international flair to the establishment.

Figure 16. Contribution of SWT Program Participants to Host Business



Employers interviewed shared the viewpoints shown by the data, emphasizing the value of different cultural perspectives and interaction among people of different cultures to their businesses.

They bring diversity; varying viewpoints. They provide a global perspective for the U.S. workforce. It is important for the U.S. to contribute to make a smaller world, to make the world more global (director, operations and human resources, amusement park, New Jersey).

They add a unique cultural experience. They all have their nametags with their names and their countries. This leads to unique interactions between guests and employees (general manager, large resort, Wisconsin).

Best—getting to know the students from all over the world. They share their stories and backgrounds with the other employees. Learning a lot about different cultures. Really fabulous for ALL employees (human resources manager, indoor amusement park, New Jersey).

Economic Impact and Contribution to U.S. Economy

The findings reported are based on the review of available reports on summer youth employment, reported placements of SWT participants in geographic areas, and the BLS and U.S. census data for the same areas. Regression analyses were used to examine the relationship between the number of SWT participants and youth unemployment as local workforce and demographic characteristics of the areas of placement.

Key Findings

SWT participants contribute to local economies:

The total estimated contribution of SWT exchange visitor participants to the U.S. economy in 2016 was about \$509 million. That roughly equals \$5,300 per participant.

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

- BLS reports that summer work participation rates of American youth have been declining consistently since the 1990s. Although the trend has been affected by adverse economic conditions, it does not fully recover after recessions.
- BLS reports more summer time school enrollment during the same time, and a report by Pew Research notes that community volunteerism and internship programs are an alternative to seasonal employment.
- Summer time employment for youth not enrolled in school has also declined, but BLS notes that participation of this group in the workforce has increased at the same time. This suggests the youth not enrolled in school are more likely to be employed in year-long jobs and are less likely to seek seasonal employment.

There was no statistical relationship between the number of SWT participants and youth unemployment rates.

- Regression analyses examining the factors influencing youth unemployment rates showed no relationship between youth unemployment rates and the 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.

The number of SWT program participants in areas of placements are too small to have a meaningful impact on youth employment.

- In 2016, SWT participants were placed in 242 of 388 metropolitan statistical areas around the U.S. In 50% of the areas of placement there were fewer than 22 participants.
- Only nine communities had more than 1,000 SWT participants.
- Even in areas with larger number of participants, SWT participants represented a small fraction of the workforce involved in tourism-related industries. For example, in resort communities on the Delaware and Maryland Atlantic Ocean shores, SWT participants represented 6.8% of total workforce involved in tourism related occupations.

Factors indicative of **seasonal labor shortages** were significant predictors of the number of SWT placements.

- Regression analyses examining the relationship between the number of SWT participants and workforce and demographic characteristics of an area showed:
 - SWT placement was higher in locations with fewer 18- to 24-year-old young adults enrolled in institutions of higher learning (standardized coefficient= -.01 p=.0001). Given that college-aged students are potential candidates for seasonal jobs, the findings show that there are more SWT participants in the areas where there are fewer college students.
 - 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 were employed in industries such as hospitality, amusement, or retail as a percentage of the total workforce in the area.
 - There were more SWT participants in areas with higher workforce participation (standardized coefficient= -.029, p=.001), suggesting higher levels of competition with other businesses in similar industries for seasonal employees.
 - SWT placement was positively related with commute time to work (standardized coefficient= -.022, p=.001), meaning areas with longer work commute times had higher SWT participation.

The survey of SWT program employers supports findings that there is a seasonal labor shortage and indicated negative impact on business if the SWT program was not available.

- Almost all SWT program employers surveyed reported labor shortages (96.8%).
- Most stated that not having SWT participants would have a *negative impact* on their ability to do business (87.4%).
- Over half predicted that lack of the SWT program would have a *big negative impact* on their revenue (87.4%).

If the SWT program was unavailable:

- Approximately half of businesses reported they would *likely* or *very likely* need to reduce services provided (56.5%) or be required to reduce hours of operation (44.8%).

Contribution to the Economy

The total estimated contribution of SWT exchange visitor participants to the U.S. economy in 2016 was about \$509 million. That roughly equals \$5,300 per participant.

This calculation is based on 94,983 participants in 2016, as reported by the State Department. The estimated economic impact assumes the following for each SWT participant:

- Forty hours of employment for 13 weeks at state minimum wage or federal minimum wage if state wage is lower.
- Program fees of \$1,011, which includes sponsor fees, health insurance, visa application and SEVIS fees.

Based on the survey of over 300 SWT participants, the calculation of the economic impact also assumes that:

- SWT participants on average brought \$1,308 with them to the U.S., and spent 90% of that amount locally (\$1,177)
- SWT participants spent 78% of their wages in the U.S. with the remaining 22% going toward repaying travel costs and fees.

The above calculation does not include money spent on air travel, however, the survey data show that over half of SWT participants flew on U.S. airlines.

Factors Contributing to Decline in Seasonal Workforce

Seasonal workforce participation by U.S. youth has been declining consistently for decades according to reports from the U.S. Department of Labor^{66,67} and Pew Research.⁶⁸ Both reports note that currently approximately 30% of young people take summer jobs. The Pew report further shows that although drops in summer employment corresponded to periods of economic recessions, the rates of summer employment *did not recover after the recessions and continued to decline*. This suggests that factors other than the health of the economy could be responsible for the decline in U.S. youth's participation in seasonal employment.

Decrease in seasonal employment among American youth is more likely due to their own volition and competing interests than on stressors due to economic condition or immigration, or the effects of specific cultural exchange programs such as Summer Work Travel program.

Drawing on data from the Current Population Survey, the BLS report shows more students enrolled in summer academic activities during the same period of summer job participation decline. The BLS report concludes that that lower summer work participation rates among youth is due to a higher emphasis on academics than on work during the summer and not on the job

⁶⁶ <https://www.bls.gov/opub/btn/archive/declining-teen-labor-force-participation.pdf>

⁶⁷ https://www.bls.gov/spotlight/2011/schools_out/

⁶⁸ <http://www.pewresearch.org/fact-tank/2015/06/23/the-fading-of-the-teen-summer-job/>

shortage. Similarly, Pew Research notes that there are “more students enrolled in high school or college over the summer; more teens doing unpaid community service work as part of their graduation requirements or to burnish their college applications; and more students taking unpaid internships.” Rules regarding financial aid may also be a contributing factor. Seasonal earnings count against qualifying income for student aid, and some college students may feel that summer earnings do not justify the loss of financial assistance.⁶⁹ Thus, the bottom line is that the decrease in seasonal employment among U.S. youth is more likely due to their own volition and competing interests than on stressors due to the economic condition or immigration, or the effects of specific cultural exchange programs such as the SWT program.

Furthermore, BLS reports show that work participation rates of teens not enrolled in school increased as the summer work participation rates decreased. The decline in summer work participation among teens and young adults not enrolled in school is likely due to them joining year-long employment.

These two trends—the decline in summer work participation among youth enrolled in school and greater participation in the workforce among those are not enrolled in school—suggest that the pool of potential candidates for seasonal employment has been shrinking throughout the decade.

There is another important trend to consider in discussions about youth employment. According to the National Center for Education Statistics (NCES), the overall number of full-time students employed has decreased significantly from 2000 to 2013, yet 26% of full-time students were employed more than 20 hours a week⁷⁰ according to 2013 data. We can assume that many of the students working more than 20 hours a week have more permanent work arrangements that preclude them from taking temporary seasonal jobs, thus further removing them from a pool of potential candidates for seasonal employment.

The SWT program operates in the environment of seasonal labor shortages. Therefore, it is unlikely that SWT program participants compete with American U.S. youth for seasonal jobs.

The implication of these data is that the SWT program operates in the environment of seasonal job shortages due to:

- Lower willingness of U.S. youth to work during the summer.
- Already significant participation of U.S. youth in the workforce during the year.
- Better permanent employment outlook for youth not enrolled in school.

Therefore, it is unlikely that SWT program participants compete with U.S. youth for seasonal jobs.

⁶⁹ <http://ciwib.org/workforce-investment-board/hiring-season-on-cape-cod/>

⁷⁰ https://nces.ed.gov/programs/coe/pdf/coe_ssa.pdf

Relationship Between Summer Work Travel and Youth Unemployment

Analyses of youth unemployment data for metropolitan statistical areas (MSAs) showed a small, non-significant negative coefficient between the number of SWT participants and youth unemployment rates defined as unemployment rate for the 16- to 24-year-old cohort (standardized coefficient $-.005$ $p=.342$).

The negative coefficient indicates that there were more SWT placements in MSAs with lower youth unemployment rates. However, by established consensus, statistically non-significant findings indicate no relationship.

Rather, the unemployment rates for other age cohorts were significant predictors of youth unemployment, indicating that the health of local economy rather than SWT participation were the driving factors of local youth unemployment. For example, unemployment rates for those between the ages of 25 and 64 (standardized coefficient 1.03 $p=.0001$) and those 65 of age and over (standardized coefficient $.119$ $p=.007$) were significantly and positively related to the unemployment rate among the youth ages 16 to 24.

There is no relationship between the number of Summer Work Travel (SWT) participants and youth unemployment.

Health of the local economy influences youth unemployment rates and not competition from the SWT program.

Impact of MSA Placements on Youth Employment

In 2016, SWT participants were placed in 242 of the 388 MSAs in the U.S. The median number of placements was 22. This means that in 50% of the areas where SWT participants were placed, there were fewer than 22 SWT participants. In fact, 75% of the areas had fewer than 165 participants. There were more than 843 SWT participants in only 5% of the areas. Only nine communities had more than 1,000 SWT participants. Thus, in most places in the U.S., the number of SWT participants is too small to have a meaningful impact on youth employment.

In most places in the U.S., the number of SWT participants is too small to have a meaningful impact on youth employment. In 75% of MSAs, there were less than 165 SWT participants.

Not surprisingly, the areas with higher placements were resort communities. For example, the Madison, Wisconsin MSA, which includes the Wisconsin Dells, a popular summer destination for residents of the Chicago and Milwaukee areas, had 5,085 SWT participants. The Salisbury, Maryland MSA, which includes the resort city of Ocean City Delaware beach communities of Rehoboth, Dewey, and Fenwick had 2,864 SWT participants. The Barnstable Town, Massachusetts MSA encompasses Cape Cod and had 2,842 participants. The Myrtle Beach-Conway-North Myrtle Beach, South Carolina MSA had 2,836 participants.

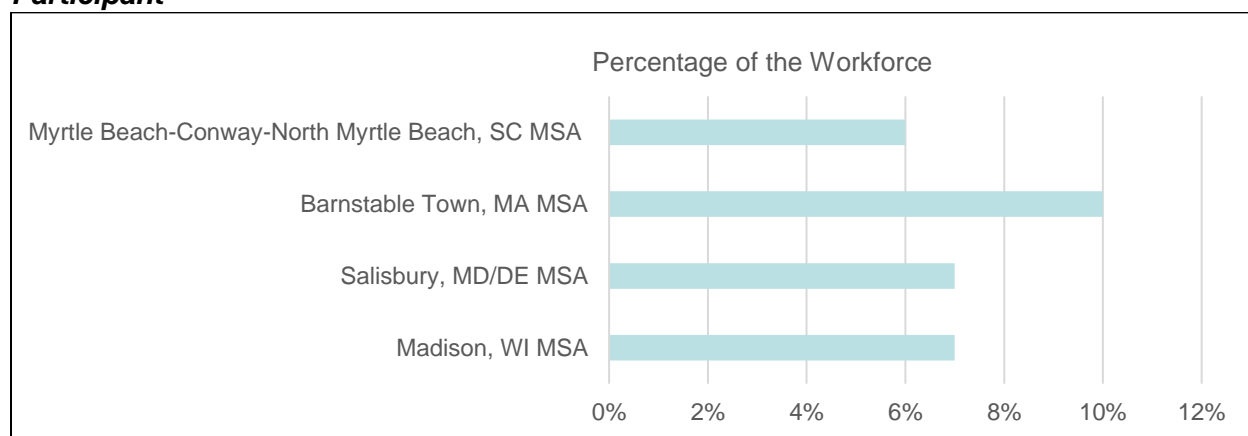
Proportion of SWT Participants in Tourism and Related Industries

Even in areas of high SWT participant placement, SWT participants represent only a small fraction of the workforce working in the tourist-related industries.

Even in areas of high SWT participant placement, SWT participants represent only a small fraction of the workforce working in the tourist-related industries. For example, the Salisbury, Maryland MSA hosts approximately 15 million visitors annually. Specifically, the number of visitors for Sussex County, Delaware (which includes Rehoboth and Dewey beaches) is

estimated at 7 million.⁷¹ In Ocean City, Maryland, there are between 320,000 and 345,000 vacationers, and up to 8 million visitors during the summer season.⁷² According to BLS data, there are 41,940 workers engaged in industries related to tourism in the Salisbury, Maryland MSA. Thus, 2,864 SWT participants represented only 6.8% of the workforce in industries related to tourism (Figure 17). The percentage of SWT participants representing the workforce in tourism is similar in Barnstable, Myrtle Beach and Madison MSAs.

Figure 17. Percentage of Workforce in Tourist-Related Industries Comprised of SWT Participant



Relationship Between Number of SWT Placements and Seasonal Workforce Shortage

- According to one report, recruiters in the Myrtle Beach area say that the number of SWT participants and H2B guest workers are still not sufficient to meet seasonal labor demands.⁷³
- Even though Ocean City, Maryland is one of the areas with high SWT placement, in 2017, an Ocean City job fair sponsored by the local chamber of commerce advertised 12,000 open seasonal positions.⁷⁴

⁷¹ <http://www.delmarvanow.com/story/money/2014/02/02/tourism-remains-mainstay-of-local-economy/5154887/>

⁷² http://oceancitymd.gov/Planning_and_Zoning/pdfs/2006OCCompPlan.pdf

⁷³ <http://onlinelibrary.wiley.com/doi/10.1111/area.12242/full>

⁷⁴ <https://oceancity.org/employment/>

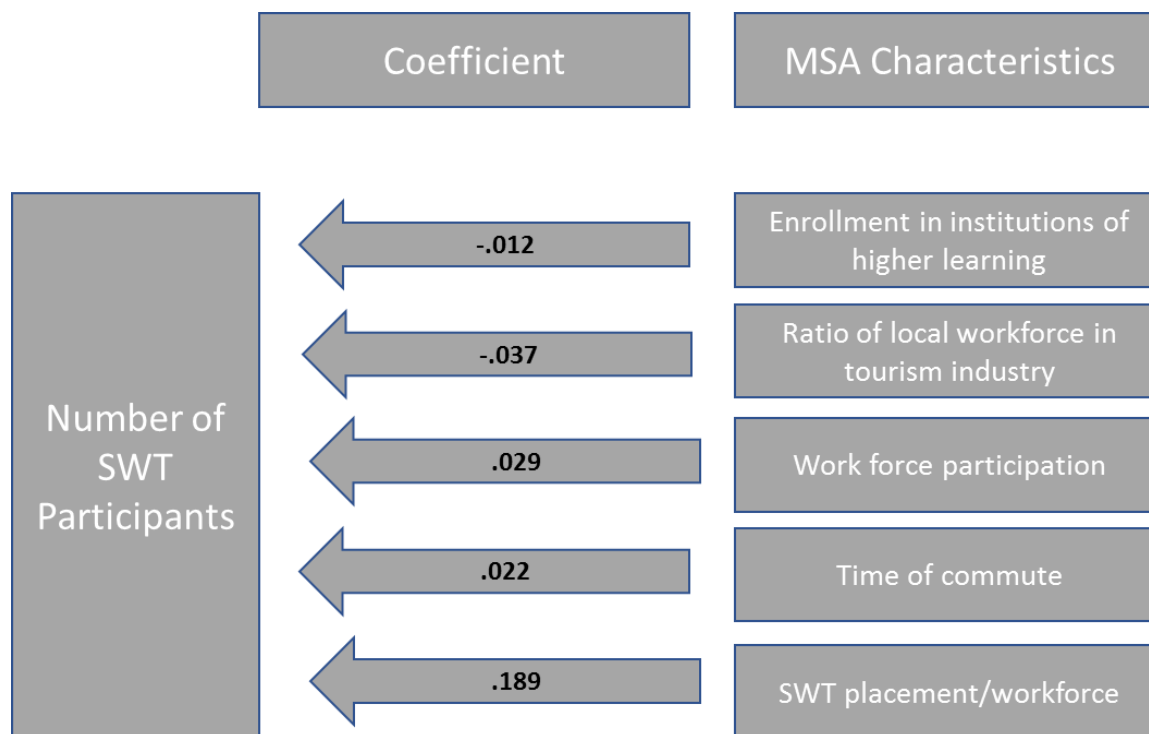
Review of Summer Work Travel Program

- According to an interview with a large employer in Wisconsin Dells, the resort town of 6,000 residents needs to fill 12,000 seasonal jobs to meet the demands of the tourist season.

To explore the issue of a potential labor shortage as a factor driving SWT placements, a regression model looked at predictors of the number of SWT participants placed in a metropolitan statistical area based on the workforce characteristics needed. The findings of the regression model are summarized in Figure 18. The unit of analysis was the individual metropolitan statistical area. The number of participants was defined as the overall number of SWT participants placed in the area between 2012 and 2016. Since some MSAs did not have placements during each year in the 5-year observation period, combining the number of participants over the 5 years increased the number of the MSAs in the analyses and hence the precision of the estimates. The model was cross validated by conducting analyses for each year. Although the magnitudes of coefficient were slightly different, the direction of effects nor significance changed.

We should note that in the interpretation of the regression model findings, it is important to keep in mind that coefficient for any one predictor depends on the effects of all the others in the model. Thus, it is unlikely that any given area will have all the characteristics representing the direction and magnitudes of the relationships shown by the regression model.

Figure 18. Regression Model



A regression model showed that:

SWT placement was higher in locations with fewer 18- to 24-year-olds enrolled in institutions of higher learning.

The findings show that there were more SWT placements in the areas with fewer young people enrolled in colleges and universities (standardized coefficient= -.012 p=.0001). College students are a potential pool of seasonal labor force. Thus, there are more SWT participants in the areas where there are fewer college students who can potentially take seasonal jobs.

The table below illustrates this relationship (Table 14). Based on the data for 2016 placements, in the areas with lowest proportion of 18- to 24-year-olds enrolled in institutions of higher learning, there was one SWT participant for every **100** college or university students. In contrast, in the areas with higher proportions of 18- to 24-year-olds enrolled in the institutions of higher learning, there were three SWT participants for every **1,000** college or university students.

Table 14. SWT Participant Placement in Relation to School Enrollment

School Enrollment Ratio	Ratio of SWT Participants to Total Population Enrolled in School
Low (Lowest 25% of MSA(s))	.01 (1 to 100)
High (Highest 25% of MSA(s))	.003 (3 to 1000)

SWT placement was higher in the areas with lower percentage of workforce involved in tourism-related work.

Findings show that more SWT participants were placed in the areas where there were fewer workers in in hospitality, recreation, and amusement industries as a proportion of the overall workforce (standardized coefficient= -.037, p=.011). For example, even in areas with higher number of SWT participants, such as Myrtle Beach or Maryland-Delaware beach resort communities, only 23% of the workforce are engaged in tourism-related industries.

Placement of SWT participants was higher in areas with greater workforce participation rates.

Results from the regression analysis (standardized coefficient= -.029, p=.001) indicate that there were more SWT participants in the areas with higher workforce participation rates (i.e., percentage of residents ages 16 and over who are employed). The workforce participation figure excludes those who are self-employed, and factors in such considerations as higher percentage of retirees and individuals who are not seeking employment (e.g., those staying at home to take care of children) which affects the work participation rate in each community. The findings suggest that employers in the areas with higher workforce participation rates are likely to face competition with other businesses in the similar industries for seasonal employees.

These findings support a thesis of the shortage of seasonal employees as the key factor driving SWT placements

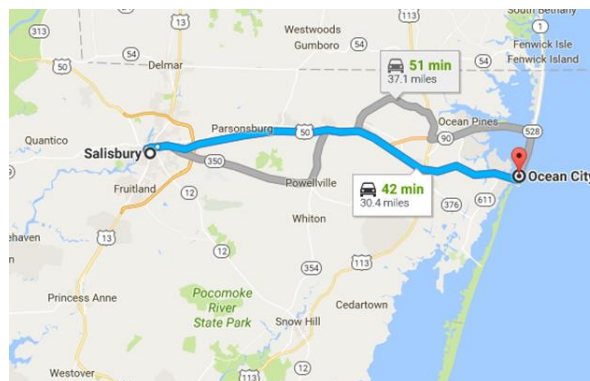
These findings support a thesis of a shortage of seasonal employees as the key factor driving SWT placements. The lack of available of college students, a proportionally smaller workforce

involved in tourism-related fields, and high work force participation rates indicate, as suggested by published reports, that employers may have problems meeting seasonal labor needs.

The two other factors in the model—the length of the commute time and correspondence of SWT placements and local workforce characteristics—further support the conclusion that the number of SWT placements in an area are related to local seasonal workforce shortages.

Placement of SWT participants was positively related with commute time to work.

Areas with longer work commute times had more SWT participants (standardized coefficient = $-.022$, $p = .001$). This finding suggests that transportation is a barrier to youth seasonal employment in areas with higher SWT placements. In other words, potential youth workers may have trouble getting to seasonal jobs, or the length of the commute may make these jobs less desirable. The bottom line is that length of the commute potentially shrinks the available



seasonal workforce. For example, the year-round population of Ocean City, Maryland is about 7,000 residents. The nearest city with a substantial population is Salisbury, Maryland, 29 miles away, which, per the U.S. Census has 32,899 residents. The commute time from Salisbury to Ocean City can take anywhere from 42 to 51 minutes. Myrtle Beach, South Carolina has population of 31,035, but only 11% of its residents are between the ages of 18 and 24 (about 3,400 residents). The largest city closest to Myrtle Beach is Wilmington, North Carolina with a population of 115,933, and is 76.4 miles or at least 90 minutes by car. A closer town, Conway, South Carolina (population 21,000) is still 15 miles or 26 minutes away.

SWT placements were higher in the areas where job placements of SWT participants closely matched the type of work being done by the local seasonal workforce.

This metric looks at the placement of SWT participants in terms of BLS job categories related to tourism in relationship to the distribution of the same BLS job categories among the local workforce. So, the placement of SWT participants is higher in areas where the types of jobs done by SWT participants mirrors the types of jobs done by the local workforce (standardized coefficient = $.189$, $p = .0001$). For example, we would expect the number of SWT participants to be lower in the areas where most of them are engaged in specific roles (e.g., working as lifeguards), whereas the local workforce is more likely to engage in other occupations related to tourism. What this relationship suggests is that more SWT participants are placed in areas where there is an overall shortage of seasonal employees rather than in areas that may have shortage in very specific occupations.

Survey of the employers participating in the SWT program affirm the findings about the labor shortage and report negative consequences on businesses if the SWT program was not available.

Results from the aforementioned survey of SWT participating employers further confirm that there is a pervasive shortage of seasonal employees, and that many of these businesses would likely suffer without supplementation by seasonal SWT employees.

As previously discussed, an overwhelming majority of SWT employers surveyed reported labor shortages (96.8%). Over half (50.8%) reported a potential *big negative impact* on their revenue if they were not able to host SWT participants, and many also stated that this would have a *negative impact on their ability to do business* (87.4%). More specifically, employers expressed that if the SWT program was unavailable, they would *likely* or *very likely* need to reduce services provided (56.5% of businesses reported this outcome), would be required to reduce hours of operation (44.8%), or would have to lay off permanent staff after the season (28.7%) (Table B.5).

Criticisms of the Program

Criticisms of the SWT program and work exchange programs like the Au Pair program⁷⁵ focus on the potential to exploit program participants. For example, reports by the Southern Poverty Law Center (SPLC),⁷⁶ address the issues of program oversight, and claim that the program is a source of cheap foreign labor that does not meet purported cultural exchange goals. The criticisms of the program made from these perspectives use a case study approach. SPLC, for example, presents case studies of eight SWT participants in North Carolina. Although there is a potential for exploitation in any employment setting, eight cases cannot be considered characteristic of the program as a whole. SWT is the largest exchange program in the U.S. The data presented in this report show high levels of satisfaction with the program as witnessed by employers' satisfaction levels and the willingness of participants to recommend the program to their peers. Similar findings about satisfaction with the program have been reported by sponsor organizations and by the U.S. State Department.⁷⁵ Thus, although some participants may have had negative experiences as those described by the SPLC, given the documented overwhelming satisfaction with the program, these experiences are not typical of the vast majority of program participants. We should further note that unlike guest worker programs like the H2B visa program, the SWT program has mandated mechanisms for conflict resolution administered by both the sponsor organizations and the State Department. Granted, while no oversight mechanism is perfect, a small number of case studies do not indicate the systemic failure of the established oversight mechanisms designed to protect participants.

In addition, the participants survey clearly shows that it is the cultural exchange component of the program, rather than an opportunity to earn money, that is attracting them. Earning money does not necessarily distract from the cultural mission of the program. Rather, a strong argument can be made that earning money while in the U.S. enables participants who otherwise might not have an opportunity to visit the U.S. to do so.

From an economic perspective, the central thesis of the criticism of the SWT program (as well as other J1 visa programs that involves labor) is that SWT program participants compete with American youth for summer jobs. This argument is made by groups representing the far right and far left of American politics. A presentation at the American Sociological Association⁷⁶ cited Senator Sanders' (I, Vermont) concern about the effects of the SWT program on youth employment. A Denver Post article on the SWT program similarly claimed that visa programs encouraged seasonal hiring of foreign students while U.S. youths go jobless,⁷⁷ noting Senator

⁷⁵ https://j1visa.state.gov/wp-content/uploads/2017/03/2016-Summer-Monitoring-Report_wExecSum-FINAL_02142017.pdf

⁷⁶ Bowman, C. G. and Bair, J. L. (15 August 2014). The Historical Transformation and Contemporary Significance of the J-1 Summer Work Travel Visa. Paper presented at the American Sociological Association Annual Meeting, Hilton San Francisco Union Square and Parc 55 Wyndham San Francisco, CA.

⁷⁷ <http://www.denverpost.com/2011/06/18/visa-program-encourages-seasonal-hiring-of-foreign-students-while-u-s-youths-go-jobless/>

Udall's (Dem., Colorado) concern about the impact of the program on youth employment in the state.

However, the assumption that the SWT program negatively impacts youth employment is based on a simple but faulty logic: If an SWT participant has a job in the U.S., it means that an American did not get it. This claim is made without empirical evidence. It is rather a naïve "common sense" assumption. If any evidence is offered, it tends to be anecdotal. For example, transcripts from a Center for Immigration Studies (CIS) panel discussion on SWT program⁷⁸ alleges that there are idle American youth in a Vermont resort town while SWT participants are hard at work.

A single case or even several handpicked examples cannot disprove a broader trend. In fact, as we demonstrated based on the analyses of BLS and SWT placement data, a key driver of SWT placements in any given area is a seasonal labor shortage. In other words, SWT participants supplement the existing workforce in areas experiencing labor shortages rather than compete for existing jobs with local workers.

CIS did publish an analysis of youth summer employment which claimed that immigration in general adversely effects summer employment of American youth.⁷⁹ Although the report focused on overall immigration and only tangentially mentioned the SWT program, there are two points made by the report that are worth consideration:

- The rate of youth seasonal employment is declining.
- There has been a decrease in the availability of summer jobs for both youth enrolled in school and those who are not.

As discussed above, however, the decline in the rate of youth seasonal employment is a well-documented trend. The second point (the decrease in summer work participation rates among both youth enrolled in school and those are not) addresses the explanation put forth by BLS that the decline in seasonal employment among U.S. youth is due to shifting priorities from work to school indicated by greater participation in summer time academic programs. The CIS argument is that since the rates for both enrolled and non-enrolled youths declined over the same time, commitments to school as an explanation of the declining summer workforce participation cannot be valid. What the CIS report does not mention is that although the rate of summer work employment decreases for both groups, there is a corresponding increase in overall workforce participation among youth *not* enrolled in school. A more accurate description of the trend is that those who are enrolled in school are, in fact, shifting their priorities during the summer, whereas those who are not enrolled in school are not interested in seasonal work because they have year-round employment.

A more recent report from the same organization claimed that there was no labor shortage in key fields that employ guest workers.⁸⁰ Although the focus of the article is on H2B visas, the argument potentially undercuts the findings presented here that seasonal labor shortages are one of the key ways SWT program helps businesses. CIS argued that there is no labor shortage

⁷⁸ <http://cis.org/PanelTranscripts/Summer-Work-Travel-Panel>

⁷⁹ <http://cis.org/teen-unemployment>

⁸⁰ <https://cis.org/Camarota/Wage-Data-Shows-No-Labor-Shortage-H2B-Occupations>

because wages in key industries that employ guest workers are actually down, thus indicating an excess of labor. The argument is based on an analysis of the American Community Survey data. There are several problems with CIS' conclusions. First, even if the results are taken at face value, an excess of labor is not the only factor depressing wages. For example, turnover rates can affect wages if more experienced and higher paid workers are leaving for higher paying jobs in other industries. In fact, the turnover rate in the hospitality industry based BLS data is over 70%,⁸¹ with over 50% being quit rates, meaning workers voluntarily leave their jobs. This is an increase from 2010 figures when the turnover rate was under 50%. The industry association summarizing these rates concluded that workers in the hospitality industry are leaving for better jobs. However, the BLS reported an increase in wages among leisure and hospitality workers from 2013 to 2016⁸² based on the Current Population Survey (CPS) data. Unlike ACS, CPS was specifically designed to estimate workforce participation and wages⁸³ and therefore can provide more reliable estimates of economic activity and wages than ACS. The advantage of CPS over ACS in estimating wages and other economic indicators is well documented.

⁸¹ <http://www.nrn.com/blog/hospitality-turnover-rose-721-rate-2015>

⁸² https://www.bls.gov/iag/tgs/iag70.htm#workplace_trends

⁸³ <https://www.bls.gov/lau/acsqa.htm#Q08>

Appendix A: Detailed Tables: Participant Survey

Table A.1 Likelihood of Participant Recommendation of SWT Program Experience

How likely are you to recommend the SWT program...		Very Unlikely	Unlikely	Neither likely or unlikely	Likely	Very likely
To your friends	%	0.9%	1.4%	3.9%	23.1%	70.7%
	n	25	38	110	647	1980

Table A.2 Participant Recommendation of SWT Program Experience

Have you already recommended the SWT program...		Yes	No
To your friends	%	98.0%	2.0%
	n	2574	53

Table A.3 Importance Factors in Participating in the SWT Program

How important or not important were the following to your decision to participate in the SWT Program?		Not at all important	Not important	Somewhat important	Important	Very important
Improving English	%	6.0%	3.5%	8.1%	22.3%	60.0%
	n	169	98	227	625	1681
Learning American way of doing business	%	1.8%	6.3%	17.4%	36.3%	38.3%
	n	49	175	487	1016	1073
Experience living in different culture	%	0.1%	0.4%	3.0%	21.9%	74.6%
	n	4	10	84	612	2090
Learning how to interact with people of different culture	%	0.2%	0.7%	5.8%	25.3%	67.9%
	n	6	20	163	709	1902
Learning specific work skills	%	3.6%	9.8%	20.0%	28.8%	37.8%
	n	101	274	559	807	1059
Earning money	%	2.2%	7.3%	27.0%	35.1%	28.4%
	n	61	204	756	983	796
Visiting U.S.	%	0.3%	1.2%	7.1%	27.6%	63.8%
	n	8	34	199	773	1786
Gaining work experience for degree	%	14.2%	17.9%	17.3%	21.6%	29.0%
	n	398	500	485	606	811

Table A.4 What SWT Participants Learned or Experienced During the Program

What I learned or experienced during my SWT program		Strongly Disagree	Disagree	Neither Agree or Disagree	Agree	Strongly Agree
To better interact with people different from me	%	0.2%	0.7%	5.9%	43.9%	49.3%
	n	4	13	112	834	937
Specific work skills	%	1.3%	3.8%	16.3%	45.9%	32.7%
	n	25	73	309	872	621
Valuable work experience	%	2.1%	4.1%	15.5%	39.9%	38.5%
	n	39	77	295	758	731
More confidence	%	0.4%	1.7%	9.1%	38.4%	50.4%
	n	8	32	173	730	957
My own culture	%	1.2%	3.4%	21.2%	41.5%	32.8%
	n	22	64	402	789	623
Adjust to different situations	%	0.2%	0.6%	6.7%	42.2%	50.3%
	n	4	11	127	802	956
More independence	%	0.1%	0.9%	5.9%	33.1%	60.0%
	n	1	17	113	629	1140
Experiences that will help me in the future	%	0.5%	0.9%	4.8%	33.6%	60.2%
	n	9	17	91	639	1144
To work as part of a team	%	1.1%	2.5%	12.7%	40.1%	43.6%
	n	21	48	241	761	829
How to solve problems	%	0.5%	2.1%	13.3%	44.2%	39.9%
	n	9	40	253	839	759
How to manage my time	%	0.6%	3.3%	15.6%	39.4%	41.2%
	n	11	62	296	748	783
How to manage my money	%	0.7%	3.3%	13.8%	38.7%	43.4%
	n	14	62	263	736	825

Table A.5 Change in Opinion After SWT Program

How has your opinions changed regarding the following?		Became much more negative	Became more negative	Stayed the same	Became more positive	Became much more positive
U.S. in general	%	0.9%	3.9%	19.2%	44.9%	31.2%
	n	24	110	537	1256	873
American culture	%	0.7%	5.0%	22.3%	45.5%	26.5%
	n	19	139	624	1275	743
American people	%	0.8%	6.3%	18.9%	40.0%	34.1%
	n	21	176	529	1120	954
American way of doing business	%	1.1%	4.6%	30.4%	39.9%	24.0%
	n	32	128	850	1117	673
American companies	%	1.2%	5.4%	31.9%	38.4%	23.1%
	n	33	151	894	1074	648
American music	%	0.4%	1.7%	45.6%	26.7%	25.6%
	n	10	48	1278	747	717
American political system	%	2.6%	9.0%	54.9%	22.0%	11.5%
	n	74	253	1536	616	321
American cuisine	%	5.3%	13.6%	29.9%	30.4%	20.8%
	n	148	381	837	851	583

Table A.6 Learning Experience During SWT Program Relating to America

What I learned during my SWT program relating to America		Strongly Disagree	Disagree	Neither Agree or Disagree	Agree	Strongly Agree
Improved my English	%	2.2%	2.0%	8.9%	41.8%	45.1%
	n	42	38	169	794	857
American way of doing business	%	0.8%	2.8%	17.1%	51.9%	27.4%
	n	16	53	324	987	520
Better understanding of American culture	%	0.4%	0.8%	7.8%	48.6%	42.3%
	n	8	16	149	924	803
Better understanding of American political system	%	2.1%	8.9%	34.7%	36.8%	17.5%
	n	40	169	660	699	332

Table A.7 American Friendship in SWT Program

American friends in SWT program		Yes	No
Made friends with Americans during SWT program	%	94.3%	5.8%
	n	2639	161
Keep in-touch with American friends after SWT program	%	87.7%	12.3%
	n	2314	325

Table A.8 Type of Friends During SWT Experience

Did you make friends with your co-workers, someone outside of work or both?	n	%
Co-workers	750	28.4%
People I met outside of work	172	6.5%
Both	1717	65.1%

Appendix B: Detailed Tables: Employer Survey

Table B.1 Provision of Cultural Activities to SWT Program Participants by Employer

What type of cultural activities do you provide for SWT participants?		Yes	No
Visits to museums or historical sites	%	58.2%	41.8%
	n	196	141
Host American cultural-themed events	%	62.0%	38.0%
	n	209	128
Attend U.S. sporting events	%	37.7%	62.3%
	n	127	210
Host a volunteer day at a local charity	%	6.8%	93.2%
	n	23	314
Celebrate an American holiday with community group	%	71.8%	28.2%
	n	242	95
Other ⁸⁴	%	32.9%	67.1%
	n	111	226

Table B.2 Overall Satisfaction with SWT Program Experience

How would you rate your overall satisfaction with...		Very unsatisfied	Unsatisfied	Somewhat satisfied	Satisfied	Very satisfied
The SWT program	%	1.0%	1.0%	7.2%	26.2%	64.7%
	n	4	4	29	106	262
The support offered to your business by the sponsor organization	%	1.5%	2.7%	9.4%	28.6%	57.8%
	n	6	11	38	116	234

⁸⁴ The cultural activities that were provided in addition to the options selected above were going to parks and recreational activities, outdoor aquatic activities, and employee gatherings.

Table B.3 Recruitment of Seasonal Employee Recruitment by SWT Employers

How do you typically recruit seasonal employees (excluding SWT participants/other foreign workers)?		Yes	No
Help-wanted ads in local newspaper	%	36.0%	64.0%
	n	146	259
Notices on jobs websites (e.g., Indeed, Monster)	%	51.9%	48.1%
	n	210	195
Help-wanted signs at business location	%	31.6%	68.4%
	n	128	277
Word of mouth	%	70.1%	29.9%
	n	284	121
Job fairs	%	30.4%	69.6%
	n	123	282
Other ⁸⁵	%	21.2%	78.8%
	n	86	319

Table B.4 Sponsors of the Job Fairs Utilized by SWT Employers to Recruit Seasonal Employees

Who is the sponsor of job fairs used to recruit seasonal employees (excluding SWT participants/other foreign workers)?		Yes	No
Self-Sponsored	%	44.7%	55.3%
	n	55	68
Local chamber of commerce	%	32.5%	67.5%
	n	40	83
Local government	%	12.2%	87.8%
	n	15	108
Local educational institution	%	53.7%	46.3%
	n	66	57
Other ⁸⁶	%	17.1%	82.9%
	n	21	102
Not sure	%	0.8%	99.2%
	n	1	122

⁸⁵ Employers in the SWT program also used social media, job placement agencies and foreign exchange programs to recruit non-SWT seasonal employees.

⁸⁶ Employers who selected “other” for who sponsored the job fairs they used, consisted of job placement agencies, foreign exchange programs, and camps.

Table B.5 Consequences of Employers Not Hosting

How likely would the following consequences be if you did not host SWT participants during last season?		Not at all likely	Not likely	Somewhat likely	Likely	Very likely
Not being able to stay open during season	%	28.7%	26.6%	17.1%	8.4%	19.2%
	n	109	101	65	32	73
Having to cancel reservations	%	24.6%	22.7%	21.8%	10.4%	20.5%
	n	78	72	69	33	65
Reducing hours of operation	%	21.8%	17.3%	16.2%	14.3%	30.5%
	n	81	64	60	53	113
Reducing services provided	%	13.4%	9.9%	20.2%	15.7%	40.8%
	n	51	38	77	60	156
Close locations	%	40.8%	30.2%	10.3%	4.8%	13.9%
	n	135	100	34	16	46
Lay off non-seasonal staff after the season	%	34.4%	23.5%	13.5%	8.4%	20.3%
	n	107	73	42	26	63

Table B.6 Contribution of SWT Program Participants

To what extent do you agree or disagree that SWT program participants...						
		Strongly Disagree	Disagree	Neither Agree or Disagree	Agree	Strongly Agree
Contribute to a positive culture in the workplace	%	1.0%	0.7%	6.2%	27.7%	64.4%
	n	4	3	25	112	261
Bring fresh ideas and innovative solutions	%	0.5%	2.7%	24.7%	37.5%	34.6%
	n	2	11	100	152	140
Adds international flair to establishment	%	0.5%	1.2%	4.9%	35.8%	57.5%
	n	2	5	20	145	233
Contribute with language and cultural skills	%	0.7%	1.5%	16.3%	33.6%	47.9%
	n	3	6	66	136	194
Make the community more sensitive to other cultures	%	1.0%	2.5%	13.1%	30.4%	53.1%
	n	4	10	53	123	215

Appendix C: Regression Models

Regression analyses will look at the workforce characteristics, SWT participation and demographic characteristics within a metropolitan statistical area (MSA). MSA is the smallest geographic unit in BLS data. MSA may include areas from different states and counties. For example, Salisbury MSA includes both Ocean City, Maryland and Rehoboth, Delaware. On the other hand, Atlantic City MSA includes most of the area referred to as the Jersey Shore. BLS data provides wage and labor category data only on the state and MSA level. The state level does not provide necessary sensitivity to conduct the necessary analyses. However, MSAs do not cover all the U.S., more specifically very rural areas. Based on data we received, for all years of placement (2012 to 2016), we could assign 144,784 SWT participants into MSAs, thus excluding 59,092 participants who were placed outside of MSAs. Therefore, any conclusions based on the presented analyses are limited to participants placed in MSAs. It is our belief that estimating necessary parameters for participants outside of MSAs would have introduced too much uncertainty into the estimations, thus potentially opening the results to greater scrutiny. Furthermore, we used data for all submitted years to increase the precision of the models and to assure that we would have as much available data as we can.

The first model assesses whether there is relationship between the number of SWT participants and the youth unemployment rate in the MSAs. The second model predicts SWT participation based on labor force characteristics and demographic characteristics of the MSAs.

To construct the model, EurekaFacts combined the data provided by the host organization (i.e., Alliance for International Exchange data) with BLS and U.S. Census data. MSA is a standard geographic designation in BLS and census data. MSA designation is computed from the Alliance data based on reported zip codes for host employers. If data for host employers was missing, the MSA designation was based on participants' zip codes of residence while participating in the program.

For the purposes of these analyses, we concentrated on three dominant employment categories of SWT participants: hospitality, recreation, and amusement industries. Employment categories were imputed based on:

- Job titles in the Alliance data base and/or;
- Host employer.

Job titles were re-coded into the appropriate BLS labor categories and then combined based on associated industry.

When necessary, the predictor variables were calculated based on other values with the data set. For example, in the second model, ratios of employment in hospitality, recreation, and amusement industry were based on the reported number of employees in those fields and the overall number of individuals employed in the MSA.

When predictor variables were highly related ($r=.80$), the models were tested with a different predictor entered. For example, the population of 18- to 24-year-olds in an MSA is highly correlated with the number of 18- to 24-year-olds enrolled in school. Therefore, separate models

were run using one of these predictors or another. The model that was more predictive (i.e., explained more variance) was retained.

Model 1: Youth unemployment rates

The criterion variable for the Model 1 was youth unemployment rate in an MSA. Unemployment rate is defined as the number of individuals searching for a job over the overall number of individuals in the workforce. Individuals who are serving in the Armed services, incarcerated, and those not looking for employment (e.g., retired or enrolled in school) are excluded from the workforce estimation.

Predictor variables

Average time of commute: Average time reported going to and from work in the MSA per BLS data.

Unemployment rate ages 25 to 65: Unemployment rate of the 25 to 65 cohort: Number of individuals looking for work over the number of individuals in the workforce as defined previously.

Mean hourly wage: Average wage for MSA per BLS data, includes all occupational categories.

Population of 16+: Total population of individuals in an MSA over 16 years of age (BLS data).

Population of 16 to 24 Employed: Number of individuals in MSA between the ages of 16 and 24 who are employed (BLS data).

SWT Participants: Total number of SWT program participants in an MSA between 2012 and 2017.

Population 18 to 24: Number of individuals between the ages of 18 to 24 in an MSA (BLS/Census).

The first model used the step-wise procedure with mean hourly wage and number of SWT participants forced into the model.

<i>Model</i>	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
<i>(Constant)</i>	-1012.700	586.497		-1.727	.085
<i>Average time of commute</i>	59.446	24.716	.013	2.405	.017
<i>Unemployment rate: 25 to 64 yo</i>	.417	.016	1.032	25.298	.000
<i>Unemployment rate: 65+_</i>	.010	.004	.119	2.738	.007
<i>Mean hourly wage</i>	-19.735	16.619	-.006	-1.188	.236
<i>Population of 16+</i>	-.014	.001	-1.180	-12.145	.000
<i>Population of 16 to 24 Employed</i>	.080	.008	.459	9.992	.000
<i>SWT Participants</i>	-.051	.054	-.005	-.952	.342
<i>Population of 18 to 24</i>	.058	.007	.567	7.902	.000

Model 2: Number of SWT Participants.

Criterion variable: Total number of SWT participants placed in MSA between 2012 and 2016. A square root transformation was applied to the raw values in order to meet the assumptions of the regression analysis.

Predictor variables:

- **Proportion of population 16 years or more in the labor force:** Total population 16 or more in the MSA who are in the labor force divided by total population 16 years or older in the MSA.
- **The number of jobs (employment) in the given occupation per 1,000 jobs:** The number of employments in the given occupation per 1,000 employments in the metropolitan area.
- **Proportion of population 18- to 24-years old enrolled in school:** Total population 18- to 24- years old in the metropolitan area enrolled in school divided by total population 18- to 24-years old in the metropolitan area.
- **Average commute time to work:** Average time reported going to and from work in the MSA per BLS data.
- **Correspondence of SWT job categories to percentage of same job categories in MSA:** Ratio of number of SWT participants in different job categories to number of local employees in the same categories.

<i>Model</i>	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
<i>(Constant)</i>	-.240	.027		-9.013	.000
<i>Correspondence of SWT job categories to percentage of same job categories in MSA.</i>	4.611	.354	.189	13.012	.000
<i>The number of jobs (employment) in the given occupation per 1,000 jobs in the given area.</i>	.000	.000	-.037	-2.544	.011
<i>Average commute time to work.</i>	.004	.001	.022	7.686	.000
<i>Proportion of population 18- to 24- years old enrolled in school.</i>	-.082	.019	-.012	-4.282	.000
<i>Proportion of population 16 years or more in the labor force.</i>	.368	.036	.029	10.162	.000

Q and A

Findings are overwhelmingly supporting of the SWT program. Could this be due to the biased selection of the respondents?

Respondents were selected randomly from a list of all respondents provided by the Alliance members. There is obviously a possibility that only the participants who were happy with the program responded to the survey. However, the pattern of results is consistent with other data collection efforts, including those conducted by DOS.

The report presents analyses based on placements in Metropolitan Statistical Areas (MSAs). Some participants are placed in the areas outside of MSAs. How does this affect conclusions of the report?

The BLS reports employment data by the MSAs and some micro MSAs and by state level. Therefore, to estimate the employment trends in areas outside of MSAs, state-level data must be used. The statistical technique is called “small area estimation” which necessarily makes various assumptions about the characteristics of the area and its relationship to employment data. The validity of these assumptions potentially detracts from the statistical robustness of those estimates.

Could factors other than those discussed in the report effect the size of SWT placements in an area?

It is possible. However, any other factor must be considered in relationship to other factors in the model, even if there is a strong univariate relationship (i.e., there is a significant relationship between that factor and the number of SWT placements). This is because the statistical model finds the best combination of factors that explain the number of SWT placements.

The analyses are based on participant data reported by the Alliance for International Exchange data and therefore does not include all SWT participants.

The cross check between the data reported by the Alliance for International exchange members and State Department data in shows 60% correspondence of placements on the state level. Therefore, the data from Alliance for International exchange represent a good estimate of the patterns of SWT placements. Analyses of the state level using DOS and BLS data would not yield robust estimates for the influences on SWT placements. This is because specific areas defined by MSAs can potentially vary greatly in terms of workforce characteristics than the individual state.

I can think of an area which seems to contradict the findings of the statistical model.

Not all areas are expected to reflect all the characteristics that predict SWT placements. Essentially, regression models are a weighted sum of different variables, where the influence or the weight of any single factors is represented by its coefficient. For example, an area can have higher SWT participation even in the areas with high enrollment in colleges and universities, however, other factors, such as workforce participation or shortage of workforce in tourism-related industries may influence the number of SWT placements.



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