

Youth Opportunity

Lessons from US cities on improving young people's employment prospects

Naomi Clayton
April 2015



About Centre for Cities

Centre for Cities is a research and policy institute, dedicated to improving the economic success of UK cities.

We are a charity that works with cities, business and Whitehall to develop and implement policy that supports the performance of urban economies. We do this through impartial research and knowledge exchange.

For more information, please visit www.centreforcities.org/about

About the authors

Naomi Clayton is Senior Analyst at Centre for Cities

n.clayton@centreforcities.org / 020 7803 4314

Acknowledgements

The authors would like to thank the Winston Churchill Memorial Trust and the Rank Foundation for their support in making this report possible.

This work contains statistical data from ONS which is Crown Copyright. The use of the ONS statistical data in this work does not imply the endorsement of the ONS in relation to the interpretation or analysis of the statistical data. This work uses research datasets which may not exactly reproduce National Statistics aggregates.

All views expressed in this report are those of the Centre for Cities.

All mistakes are the author's own.

Photo credits

All photos by Naomi Clayton.

Supported by

WINSTON
CHURCHILL
MEMORIAL
TRUST





Overview

The severity of the global recession in 2008-09 and austerity measures that followed have caused policymakers and practitioners on both sides of the Atlantic to think differently about how to address common challenges. All cities have been affected to varying extents by widening economic divides, rising youth unemployment, and an increasingly constrained public funding environment.

Younger generations entering the labour market today face different challenges compared to previous generations. Changing demographics, the increasing number of graduates and the changing shape of the labour market will all impact on young people's employment prospects, particularly those without higher-level qualifications. This is coupled with rapid technological change that brings greater uncertainty as it changes the world of work in ways that we cannot fully comprehend. Youth unemployment was rising long before the recession and is unlikely to drop significantly as a result of the economic recovery alone.

City policymakers and practitioners increasingly recognise the need to work in partnership to address these challenges, and are collaborating in a variety of ways to ensure programmes are responsive to the needs of employers and individuals, and ultimately improve outcomes. With youth unemployment recently reaching all-time highs and in anticipation of further austerity measures in the UK, this report explores collaborative youth employment initiatives in eight US cities with distinctive labour market challenges to identify the factors that lead to effective intervention.

Collaborative working in the field of youth employment support has taken a variety of forms in US cities in part due to the role of the state relative to other actors and comparatively high levels of city autonomy. The redistributive function of US government spending and relatively low levels of spending on welfare in the US means that private citizens and philanthropic organisations play a more significant role in funding workforce development or employment support activities. US cities have greater fiscal autonomy compared to UK cities giving them greater flexibility and more room to innovate. In addition, the blend of public and private funding allows cities to plug gaps in provision and experiment with new ways of working. Yet funding for programmes often falls short of the level required for provision to reach the majority of youth and adults in need of assistance.

Experience in US cities shows that collaboration can achieve better outcomes by allowing partners to: address the complex issues facing young people; meet employer demand; increase the accessibility of services and create new pathways into employment in a more effective and efficient way while improving their own financial stability.

But some partnerships have been more successful than others. The most effective ones have high levels of employer engagement and direct involvement from employers. Successful collaborations also have strong leadership; shared and measurable goals; support from an intermediary organisation; and monitoring and evaluation systems that encourage continuous engagement and best practice sharing. Funders and policymakers also have an important role to play in ensuring that the wider policy and funding environment enables and supports collaborative working.

Several recommendations for UK cities and local partners emerge from the study. Combined authorities and Local Enterprise Partnership (LEPs) should:

- Ensure strong local leadership and structures are in place to bring cross-sector leaders together with shared goals to improve young people's employment prospects, and maintain their active engagement;
- Use evidence and employer engagement to establish a narrow set of clearly defined and shared goals centred around youth employment;
- Leverage from a more diverse set of funding streams, including private sector investment;
- Designate an intermediary body (either the Combined Authority or the local Chamber, for example) to foster public-private relationships on a city-wide scale, engaging with employers with a clear offer of how they can get involved;
- Ensure that supporting infrastructure – data, performance management systems and a coordinating body – are in place to support the collaboration;
- Share data and monitor programme performance in an open and transparent way and consider pooling resources with other cities to fund the robust evaluation of similar initiatives.

Businesses, local Chambers of Commerce and other business representative bodies should:

- Get involved with, and where appropriate lead, the design and delivery of city-led youth employment initiatives that are delivered during the next Parliament;
- Work with Combined Authorities and LEPs to develop a city-wide offer for work experience and work-based learning in collaboration with schools and other learning providers.

Funders and policymakers need to create tools and incentives to enable and support collaboration. National governments in the UK should:

- Devolve commissioning of the post-2016 Work Programme and any subsequent youth employment programmes to cities;
- Implement Community Budgets to allow cities to join services up around young people;
- Commit long term to establishing partnerships to improve outcomes for young people;
- Support evaluation of the most promising city initiatives to assess whether they should and can be replicated elsewhere;

- Improve cities' access to quality labour market intelligence by investing in research and real-time databases, and by sharing more administrative data (DWP and HMRC specifically) with local partners;
- Explore ways to better align central government department programmes and delivery bodies with each other and with local partners.



Introduction

All cities have been affected by rising youth unemployment during the recession, but young people have long struggled to make successful transitions from school to work. The most successful youth employment initiatives are those that tackle the multiple and diverse challenges that young people often face, while also responding to the needs of employers. This requires collaboration and coordination between multiple cross-sector organisations. Cities have a central role to play in bringing these partners together, as there will be greater proximity between them and they are likely to face shared challenges.

With youth unemployment recently reaching all-time highs and in anticipation of further austerity measures in the UK, this report explores collaborative youth employment initiatives in seven US cities with distinctive labour market challenges to identify the factors that lead to effective intervention.

Youth employment in the UK and US

Youth unemployment rose to record highs during the recession. At its peak in December 2011, youth unemployment rose to 22.1 per cent in the UK. The youth unemployment rate in the US peaked slightly earlier at 19.6 per cent in April 2010 (Figure 1).¹ Youth unemployment has since dropped but remains higher than pre-recession levels in both countries. Inactivity rates are also high. The proportion of young people not in employment, education or training – referred to as ‘NEET’ in the UK and ‘Opportunity Youth’ in the US – is higher than the OECD average in both the UK and US.² In both countries, unemployment is particularly high among 16- to 19-year-olds compared to the total unemployment rate and considerably higher among some ethnic minorities.³

Underemployment among young people has also risen in the UK and US, and earnings have declined among young people without post-secondary qualifications.⁴ High levels of polarisation in the labour market means that many young people’s expectations are not met when they enter the labour market and it can be difficult to progress into higher-paid jobs.⁵

Early success in the labour market, in terms of steady employment and wages, is vital for an individual’s lifetime prospects of steady work

¹ Note: Lower levels of youth unemployment in the US may be linked to higher levels of labour market flexibility – or the relatively low cost of hiring and firing workers. Differences in labour market policies mean that the US has one of the lowest levels of workers’ protection and a lower minimum wage.

² The unemployment rate is higher as the denominator (economically active) excludes young people in education or training.

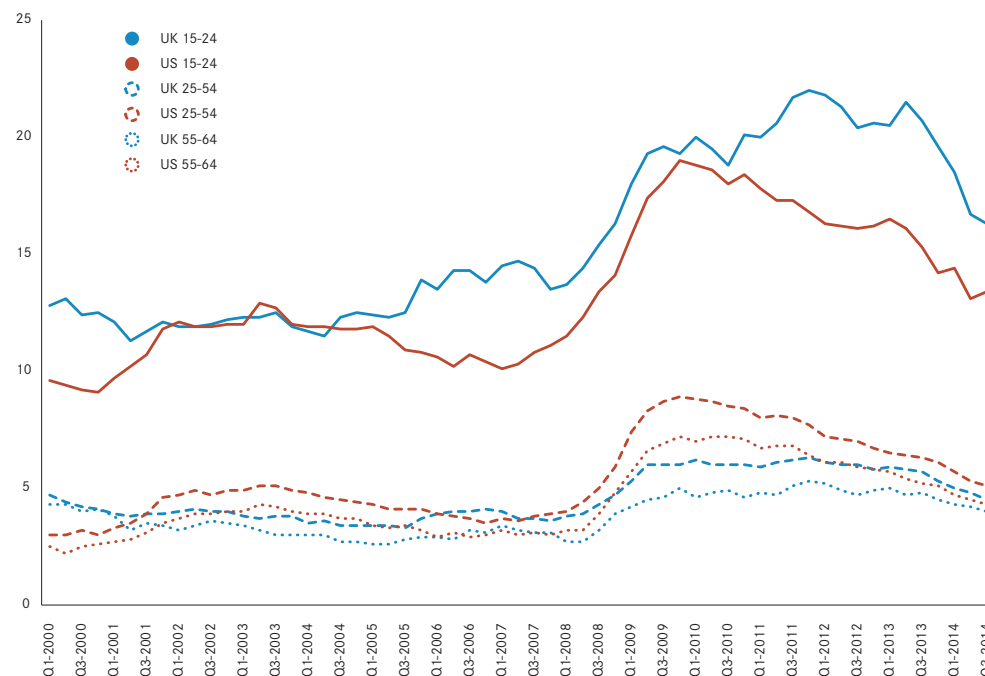
³ See appendix for further details.

⁴ Economic Policy Institute (2014) *Class of 2014*, EPI

⁵ Interviews

and adequate earning power. For many US cities the budgetary and social consequences of long-term disconnection – “in costs for foregone income tax revenues, corrections, shelter system and social services, and less functional, coherent, safe and stable communities”⁶ – justify specific focus on young people.

Figure 1: Unemployment rate by age, 2000 to 2014



Source: OECD, 2014

High levels of youth unemployment and inactivity pre-date the recession in the UK and US, indicating that the root cause goes beyond the financial crisis. Young people often face multiple barriers to finding and staying in work, ranging from a fall in jobs available due to the recession to long running issues such as skills mismatch. There is a misalignment between employers in need of skilled entry-level talent and young people in need of employment opportunities: 45 per cent of employers in the US cite lack of skills is the main reason for entry-level vacancies, while 6.7 million out-of-school and out-of-work 16- to 24-year-olds struggle to connect to employment.⁷ Lack of work experience, social or behavioural constraints, and low awareness of support available can also act as significant barriers.

Intervening to improve young people's employment prospects

Evidence highlights the importance of early intervention, integrated work-based learning opportunities, multiple and high-quality routes into employment, tailored and continuous support, opportunities to reengage young people and demand-side interventions (to influence employer decisions and behaviour) if youth unemployment is to be lowered over the long term.⁸ Programmes need to have the flexibility to respond to the diversity of needs (and talents) of young people. Some young people are more 'job ready' and only require 'light touch' services while others may require more intensive support.⁹

6 City of New York (2011) One System for One City: the state of the New York City Workforce System, NYC

7 Mourshed, M. Farrell, D. and Barton D. (2012) Education to Employment: Designing a System that Works, McKinsey & Company

8 Clayton, N. and Williams, M. (2014) *Delivering change: cities and the youth unemployment challenge*, Centre for Cities

9 Gregg, P. (2008) *Realising Potential: A Vision for Personalised Conditionality and Support*, The Stationary Office

All of these interventions require some form of collaboration, and engagement with employers, to be effective. This implies a central role for local partners given their ability to engage with employers and other stakeholders, and work in close collaboration due to their proximity and shared challenges. Yet in many cities, systems of youth workforce development and employment support are fractured. Too many organisations work in isolation from one another leading to duplication and the inefficient allocation of resources. It also means that young people face difficulty in accessing services.

Rising levels of youth unemployment and under-employment coupled with public spending cuts mean that local policymakers and practitioners are increasingly looking at ways to collaborate to achieve better outcomes.

This has taken a variety of forms in US cities in part due to comparatively high levels of city autonomy and the role of the state relative to other actors (discussed in more detail in the next section). In a number of cities, partnership working has progressed to take the form of ‘collective impact’, which brings together actors from multiple sectors in a highly structured way to affect significant social change. To date, there are limited examples of collective impact in the UK. In the field of youth employment, Talent Match, established in 2014 and supported by the Big Lottery Fund for five years, is one of the most significant step changes towards greater cross-sector working with voluntary and community organisations at the forefront.¹⁰

Lessons from US cities – this report

This report aims to build understanding of the most effective ways to work in partnership at city level to improve employment outcomes for young people. The successes of the initiatives detailed in this report are all reliant on different forms of collaboration in order to deliver their goals. Through a series of in-depth interviews with more than 150 city and national policymakers and practitioners in nine US cities¹¹ – New York, Philadelphia, Boston, Pittsburgh, Cleveland, Detroit, Chicago, Washington and Baltimore – during September and October 2014, it explores how partnerships were established, the incentives and broader enabling factors for collaboration, the challenges faced and how these have been overcome.

The next section examines the underlying policy context for responses to youth unemployment at city-level in the US, with comparison to the UK. The second section explores how and why partners in different US cities are working in partnership and what factors lead to effective collaboration. The final section sets out a series of recommendations for local partners and the UK government based on the lessons learnt from US cities.

¹⁰ For further information available here <https://www.biglotteryfund.org.uk/talentmatch>

¹¹ See appendices for a full list of individuals and organisations interviewed.



The broader policy context

This section examines the policy context in US cities relative to the UK. Collaborative working in the field of youth employment support has taken a variety of forms in US cities in part due to the role of the state relative to other actors and comparatively high levels of city autonomy. The redistributive function of US government spending and relatively low levels of spending on welfare in the US means that private citizens and philanthropic organisations play a more significant role in funding workforce development or employment support activities. US cities have greater fiscal autonomy compared to UK cities giving them greater flexibility and more room to innovate. In addition, the blend of public and private funding available allows cities to plug gaps in provision and experiment with new ways of working.

The role of the state vs other actors

While the ‘size of government’ in the US is broadly comparable to the UK, levels of redistribution and the structure of general government spending vary significantly meaning that US cities tend to rely on a wider variety of funding sources. Total general government spending is 39.8 per cent of Gross Domestic Product (GDP) in the US, while in the UK total government spending is 43.1 per cent of GDP.¹² Yet government spending on a per capita basis is higher in the US.

While overall levels of tax are similar, the US tax system is less progressive. Tax brackets in the US are higher among lower income groups and lower among higher income groups relative to the UK meaning that it is less redistributive. The structure of government spending also varies with the UK spending more on welfare. Social protection represented nearly 37 per cent of general government expenditure in the UK in 2011, compared to 21.3 per cent in the US.¹³ The US government instead spends significantly more than the UK on defence, economic affairs and health.

Evidence suggests that public provision of welfare in the UK crowds out private charitable giving.¹⁴ As private citizens, Americans appear to give more of their time and money to the poor than the British.¹⁵ The relative absence of a welfare state in the US coupled with high levels of inequality means that a higher proportion of individuals in the US fall below the poverty line and disposable income among the lowest income groups is particularly low – or in other words “the poor are really poor in the US”.

¹² International Monetary Fund (2012) World Economic Outlook Database, IMF

¹³ OECD (2013) Government at a Glance, OECD

¹⁴ Alesina, A. Glaeser, E. and Sacerdote, B. (2001) *Why doesn't the US have a European-style welfare state?* Harvard Institute of Economic Research

¹⁵ Alesina, A. Glaeser, E. and Sacerdote, B. (2001) *Why doesn't the US have a European-style welfare state?* Harvard Institute of Economic Research

Foundation grant-making in the US totalled approximately \$51 billion (£34 billion) in the US in 2012, equivalent to \$161 (£107) per capita. By contrast, foundation grant making in the UK totalled approximately £2.4 billion or £37 per capita.¹⁶ In total, 23 out of 35 of the largest foundations in the world are based in the United States.

Foundations and other types of philanthropic organisations are also becoming increasingly active in the fields of economic and workforce development in the US (22 per cent of philanthropic funds are spent on education and 16 per cent on human services), and they have a presence in cities across the US. The Kresge Foundation headquartered in Detroit, for example, made grants worth \$134 million (£87 million) in 2013.¹⁷ The Foundation has been funding organisations in Detroit since 1924 and in 2011 it provided grants as part of the Re-Imagining Detroit framework totalling \$25.5 million (£17 million).

The Community Re-investment Act (CRA) means that financial organisations also invest significant amounts in cities. The Act passed in 1977 is designed to reduce discriminatory lending practices in low-income neighbourhoods. Banking institutions are examined for CRA compliance by federal regulatory agencies and this is taken into account when approving applications for new bank branches or mergers and acquisitions. While it is not without controversies, the CRA has increased lending to low-income communities and led to investment in housing, community facilities and economic development.¹⁸

The UK government is projected to spend at rates closer to the US government by 2020, 36.4 per cent of GDP compared to 35.4 per cent in the US.¹⁹ Existing and planned austerity measures in the UK mean that cities will increasingly need to look to sources of alternative revenue, as many US cities already do, to fund local initiatives.

Cities and youth services

US cities have a higher degree of fiscal autonomy than UK cities, as measured by their reliance on locally raised taxes in comparison to intergovernmental transfers. New York, for example, raises 69.1 per cent of its revenue from local taxes compared to 26.2 per cent in London.²⁰ Local tax systems are constrained through tax and expenditure limits in the majority of states.²¹ New York, for example, has to get approval from New York State to levy new taxes, which has also introduced a new capping law for property taxes. Yet, UK cities are in general far more reliant on intergovernmental transfers that often have to be spent on specific functions: on average locally raised taxes, fees and charges account for 71 per cent of municipalities' revenue in the US²² compared to 25 per cent for local authorities in the UK.²³ Greater fiscal autonomy means that US cities have the option to raise additional revenues if required (although this needs to be balanced against

16 Source: Association of Charitable Foundations

17 The Kresge Foundation (2013) *Financial statements as of and for the Years Ended December 31, 2013 and 2012, and the Independent Auditors' Report*, Kresge Foundation

18 Olson, J. et al (2009) 'A Framework for Revisiting the CRA' in Chakrabarti, P et al (eds) *Revisiting the CRA: Perspectives on the Future of the Community Reinvestment Act*, Federal Reserve Banks of Boston and San Francisco

19 International Monetary Fund (2012) *World Economic Outlook Database*, IMF

20 Slack, E. (2013) *International Comparison of Global City Financing: A report to the London Finance Commission*, University of Toronto

21 McFarland, C.K. and Hoene, C. W. (2015) *Cities and State Fiscal Structure*, National League of Cities

22 McFarland, C.K. and Hoene, C. W. (2015) *Cities and State Fiscal Structure*, National League of Cities

23 Wilcox, Z. and Sarling, J. (2013) *Ways and means: money management and power in local government*, Centre for Cities

potential disincentives for businesses and residents) and more flexibility to respond to local priorities and circumstances.

Federal and state policy, nevertheless, does impact on the way that public services are delivered in US cities. Most agencies that administer programmes are guided by federal legislation and reliant upon money appropriated by Congress on an annual basis. Legislation defines what agencies can offer through programmes, and the amount of funding heavily impacts upon the scope of workforce efforts in cities.²⁴ Over half (51.6 per cent) of New York City's funding for public workforce development and adult education programmes, for example, comes from federal government and a further 12.2 per cent from New York State.²⁵ Approximately 16 per cent of total funding comes from the federal Workforce Investment Act (WIA)²⁶ – the main federal programme focused on increasing employment, retention and earnings through workforce investment activities – which has specific targets and eligibility requirements attached.

Box 1: WIA and local workforce investment boards

WIA funding is allocated to states based on formula, where the Governor is required to strategically plan and develop a state-wide workforce investment system. States are also required to establish local workforce investment areas, which receive approximately 80-85 per cent of total WIA funds for the delivery of local services. Local workforce investment areas are governed by business-led workforce investment boards (WIBs). WIBs provide local autonomy and stewardship, and are typically an extension of local government units. WIA requires that at least 51 per cent of board members are business leaders to ensure that the needs of businesses are taken into account in the design and delivery of employment and training services.²⁷ Boards are responsible for the design and oversight of local workforce investment systems, the designation of One-Stop service providers and the selection of youth programme grantees.²⁸ There are variations in the operation and effectiveness of WIBs. For example, some WIBs will require CEOs to attend all board meetings.²⁹

WIA and other federal programme funding are part of a much broader set of resources and programmes that enable cities to provide education, training and employment services. A third of total funding for New York City's workforce programmes in 2014 came from local dollars and around 2.6 per cent (\$13million) from the private philanthropic sector. Private companies also fund City workforce investment programmes. Citibank, for example, donated \$1 million to New York City to fund 700 internships in the city.³⁰

24 City of New York (2011) *One System for One City: the state of the New York City Workforce System*, NYC

25 NYC Office for Human Capital Development (2013) *Following the money: An analysis of FY2013-2014 Funding for NYC Workforce Development and Adult Education*, NYC

26 The Workforce Investment Act (WIA) will be replaced by the Workforce Innovation and Opportunity Act (WIOA) which introduces payment-by-results and greater flexibility around outcomes.

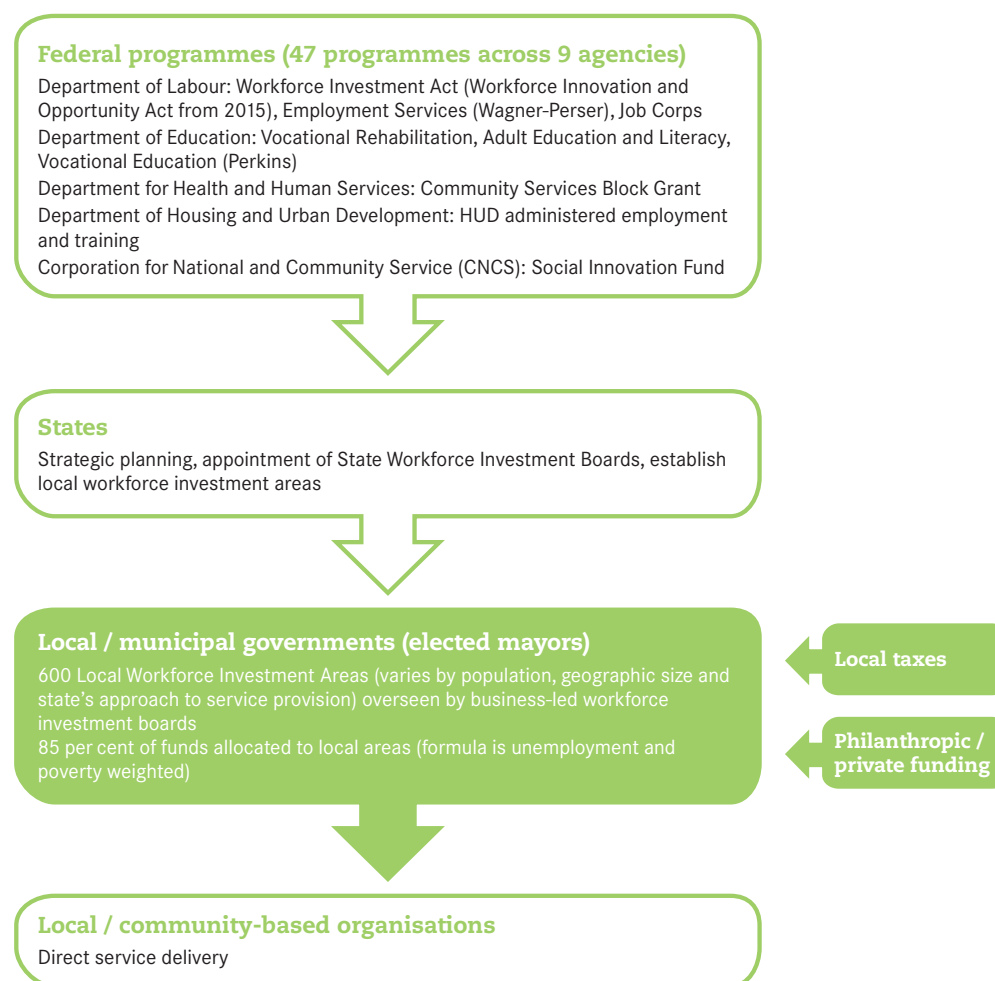
27 Eberts, R. (2014) *Employment and skills strategies in the United States*, OECD

28 Clagett, M. (2006) *Workforce Development in the United States: An Overview*, National Centre on Education and the Economy

29 Interview

30 Interview

Figure 2: The US Workforce Development System (incorporating adult and youth-specific programmes)³¹



Source: Centre for Cities, 2015

There are also a number of city-based programmes that are not publicly run or funded and in this regard, cities have become more reliant on ‘philanthropic dollars’ as Federal funds for workforce development have been cut back. Over the last ten years in New York City, there has been a 250 per cent increase in investment in workforce development from foundations. Meanwhile, total WIA allocations to New York City have declined by 27 per cent. The New York City’s WIA allocation for youth services totalled \$22.5 million (£14.6 million) in 2014. To put this in perspective, New York City Workforce Funders, a group of about 40 foundations, invested nearly \$29 million³² (£19 million) in direct youth services in 2013.³³ One interviewee described philanthropic organisations as “the mortar between bricks that holds a building together”.³⁴

The blend of national and local, public and private dollars gives cities greater flexibility and room to innovate, as well as plugging gaps in federal funding. Cities and community-based organisations responsible for direct service delivery may, for example, choose to serve a wider group of young people using other

31 Eberts, R. (2014) *Employment and skills strategies in the United States*, OECD

32 Excludes funding to organisations that link employers with programmes that train job seekers or provide other non-direct services such as advocacy or technical assistance

33 The New York Community Trust (2014) *Jobs and Workforce Development Grantmaking Strategy for New York City*, NYCT

34 Interview

funding streams. For example, Opportunities for a Better Tomorrow, a Brooklyn-based CBO, receives 65 per cent of its funding from private foundations or individual donors and serves a wide range of disadvantaged youth and adults.³⁵

Challenges facing US cities

While local funding provides flexibility and room for innovation, it means that some cities have far less funding than others. Cities like Detroit and Baltimore suffer from a lack of overall funding for youth services due to limited revenue from local property taxes. As one interviewee in Baltimore stated, “everything we do we could take to scale...and there are parts of the city that we know we’re not funding”.³⁶ The reliance on charitable giving and philanthropic organisations may further reinforce inequalities between cities as more economically buoyant cities, such as New York and Boston, have a higher concentration of philanthropic organisations.³⁷ It can also be a challenge for cities to establish funder-neutral initiatives as opposed to funder-driven ones.³⁸

Funding variations are in part a consequence of the economic variations between US cities, serving as a reminder that supply-side interventions alone are not sufficient to improve young people’s employment prospects. Cities such as Detroit that have struggled to adapt from a significant loss of industry are characterised by a lack of jobs, while cities like Boston with strong and growing economies have a shortage of skills.

The lack of jobs and quality of jobs, along with the bifurcation of the labour market, create significant barriers in many US cities – as in the UK. The Job Opportunities Task Force in Baltimore, for example, has turned down funding to expand one of their courses in the past as there were not enough jobs in the city to place participants.³⁹ Concerns have also been raised about the quality of work experience placements offered through Summer Jobs schemes: “it’s good at getting young people off the street but it’s not great in terms of real work experience. Kids are often doing very low-skilled jobs”.⁴⁰ Local actors are increasingly looking at ways to stimulate employer-demand as a result.

City systems for youth employment support are also characterised by fragmentation. As one interviewee put it, “there isn’t really a *system* in place for dropouts or ‘Opportunity Youth’; it’s probably more accurately described as a series of programmes”. Local partners are often frustrated by the silos that operate between city-government departments. In New York, for example, the Administration for Children’s Services pulled a contract which resulted in a CBO having to close but the Department for Youth and Community Development (DYCD) which funds the same organisation knew nothing about it. There can also be significant divides between city governments and WIBs, and there are numerous examples of foundations working in isolation.

35 Interview

36 Interview

37 Interview

38 Interview

39 Interview

40 Interview

How does the context vary from UK cities?

- Many of the underlying challenges – from high levels of youth unemployment and underemployment, skills mismatches, low levels of employer demand, lack of resource and institutional capacity and fragmentation – facing US cities also apply to cities in the UK.
- The complexity and diversity of the challenges facing young people and the need to respond to employer demand, coupled with reductions in public expenditure, means that integrated approaches to youth employment are required in both the UK and US.
- Collaborative working in the field of youth employment support has taken a wider variety of forms in US cities, due in part to the different contexts in which local partners operate:
 - US cities have greater fiscal autonomy compared to UK cities giving them greater flexibility and more room to innovate
 - In addition, the blend of public and private funding allows US cities to plug gaps in provision and experiment with new ways of working
 - UK cities have to contend with a more frequently changing policy landscape and funding regimes, whereas there is greater longevity within Federal funding programmes affording more time to local partners to learn their way around programmes.
- Existing and planned austerity measures in the UK mean that cities will increasingly need to look to sources of alternative revenue, as many US cities already do, to fund and deliver local initiatives.



Improving employment outcomes for young people – the importance of city collaboration

This section draws from over 150 interviews with CBOs, city agencies, intermediary and research organisations, foundations and private sector organisations across nine US cities to explore why collaboration and engagement with employers is important, and the factors behind a broad range of successful interventions. The case studies cover a broad range of initiatives designed to improve young people's employment outcomes, from educational attainment and vocational pathways to reengagement activities.

The section firstly looks at the benefits of collaboration before going on to set out five key elements of successful partnership working for youth employment:

1. Working with employers to close the gap between supply and demand;
2. Strong leadership to bring cross-sector leaders together and keep their active engagement;
3. Support from an intermediary organisation;
4. Activity underpinned by shared data and evidence;
5. Wider tools and incentives to enable and support collaboration.

Benefits of collaboration

There has long been a strong consensus that partnership working is important: “collaborations are not easy. It’s much easier to do what you want to do in your own bubble. But that limits the opportunities available to young people.”⁴¹ Critically, within current economic and fiscal contexts, partnership working allows individual organisations to achieve better outcomes in a more effective and efficient way – or in other words to “do more with less”.⁴² It allows partners to collectively address challenges in a more strategic way, reducing duplication, plugging gaps in the system and making more targeted interventions.

The issues faced by young people are far too complex for any one organisation to tackle alone. Young people in particular often require of combination of education and training support, as well as employment support. Wraparound support that addresses wider barriers often needs to be in place as well. This may be provided through one-stop-shop centres: YO! Baltimore provides a comprehensive youth employment service – or one-stop-shop centres – at two sites in East and West Baltimore for example.⁴³ There are also numerous examples of CBOs working with companies to help address financial barriers to work. Bronxworks in New York, for example, partners with Morgan Stanley and Popular Bank to provide financial counselling and free checking accounts.⁴⁴

Collaboration also allows individual organisations to amplify their efforts and effectively respond to employer demand. For example, the Lower East Side Employment Network (LESEN), a collaboration between six workforce investment organisations in Manhattan, helps companies in economic growth sectors ‘recruit, hire, and retain quality candidates’.⁴⁵ The Network’s collective efforts provide the scale needed for companies to fill vacancies.⁴⁶

Collaboration can also make services more accessible and create pathways for young people. Young people – especially those from disadvantaged families – must have access to information and job networks in order to find employment. Interviewees talked about ambitions to establish a ‘no wrong door’ system using referral networks and multiple access points to engage young people. As part of these efforts, a number had created online databases collating information about training programmes and providers. There was also an emphasis on how partnerships can create pathways: “it’s important to develop pipelines – they don’t really exist unless you’re on a traditional track”.⁴⁷ To this end, there is an increasing emphasis on widening access to apprenticeships and vocational education. For example, the Department of Labor’s Workforce Innovation Grant was used to fund a new apprenticeship model in Pittsburgh – Making it in America. This is a collaboration between local unions, start-ups, industry leaders, workforce development professionals and universities to train and place 200 dislocated workers in Pittsburgh.⁴⁸

41 Interview

42 Interview

43 For further information see <http://www.yobaltimore.org/>

44 For further information see <http://www.bronxworks.org/>

45 For further information see <http://www.lesemploymentnetwork.org/>

46 Interview

47 Interview

48 For further information see http://innovation.workforce3one.org/resources_uploads/one-pagers/OnePager_-_Three_Rivers_20130312_final.pdf and <http://www.trwib.org/admin/uploads/Western-Pennsylvania-Workforce-Development-FINAL.pdf>

Partnership can make individual organisations and initiatives more financially sustainable over the long term by allowing organisations to leverage multiple sources of funding.⁴⁹

Philanthropic organisations are increasingly focusing on building and supporting partnerships: “the Foundation has historically invested in sets of initiatives but once the resources go, the programme stops. We now place more of an emphasis on strategic co-investment in existing community partnerships and supporting more intentional efforts towards long-term sustainability of projects and programs”.⁵⁰ Linked to this are the learning and professional development opportunities that come with collaboration.

Case Study 1: Collective efforts to boost educational attainment – the Kalamazoo Promise and its partners⁵¹

In 2005, at a time when Kalamazoo was still being affected by deindustrialisation and suburbanisation, a group of local anonymous donors pledged to provide full college scholarships to every graduate of the Kalamazoo Public Schools.⁵² While other US cities have similar programmes, Kalamazoo is unique in the size (funding is set up to continue in perpetuity) and the unrestricted nature of the Promise. However, there are lessons to be learnt in terms of how partners collaborate to maximise the potential impact of the initiative.

Many describe it as an economic development programme rather than simply a scholarship programme, with the Promise acting as a strong incentive for families and businesses to locate in the city. Yet the scholarship alone was deemed insufficient to achieve the economic, social and cultural transformation envisaged by local partners: “we expected it to positively affect dropout rates but the Promise does not make a great deal of difference if you’re going to dropout. You need to support young people to overcome wider barriers. Money is only half the answer; you need alignment with other actors”.⁵³

In response, a group of organisations started working collaboratively to ensure that every student is ‘college-ready’, engage the private sector, communicate the wider regional impact and strengthen community alignment.

- The **Kalamazoo Promise** project team builds community relationships and works with several organisations in the city to ensure young people are ready for ‘school, college, work and careers’. The team are currently working with partners to identify key education transition points and predictors of school dropout.
- The **Learning Network for Greater Kalamazoo** aims to build connections in the community and make collective efforts to improve educational attainment more effective and efficient. The Network tracks the performance of different interventions, helps replicate best practice from elsewhere, sponsors the events that bring people together and engages regularly with partners. Since

49 Interview

50 Interview

51 Miller-Adams, M. (2009) *The Power of a Promise: Education and Economic Renewal in Kalamazoo*, The W.E. Upjohn Institute for Employment Research; interviews

52 The scholarship is universally accessible and the allocation of funds is based on location (enrolled and resided within the KPS district for at least four years) rather than needs or merit. The scholarship will cover between 65 and 100 per cent of tuition fees based on how long a graduate has been a pupil within the district. The scholarships can be used to attend any of the 38 community colleges or universities in Michigan, and can be accessed at any times within ten years of graduating.

53 Interview

2011, the Network has helped bring together more than 100 organisations to support successful educational outcomes.

- The **Upjohn Institute** is an independent research institute, which acts as a fiscal agent, intermediary and think tank for Kalamazoo. The Institute leads the Learning Network's data team developing and maintaining a community scorecard, implementing a data platform that collects and eventually integrates community-based out-of-school-time data with school-based and adult learning data, and providing ongoing research support.
- **Kalamazoo Communities in Schools** works with Kalamazoo Public Schools System to determine school and student needs, and establishes relationships with local agencies and businesses, parent and volunteer organisations to meet these needs. The support has led to improved attendance and behaviour in schools, and improvements in reading and maths.

The Promise has acted as a catalyst and changed the incentives for a broad range of actors. Partners have worked together to maximise the impact of the investment to improve educational and economic outcomes in the city. As a result, there has been a sharp increase in mentoring and tutoring, better coordination among youth-serving organisations and new programmes established to support students post-secondary. The Promise has since seen the reversal of long-term enrolment decline, particularly among more disadvantaged groups.

Case Study 2: Developing a 'no wrong door' approach – Sunset Park Alliance⁵⁴

The Sunset Alliance in Brooklyn formed out of a growing recognition that the impact of CBOs working with disadvantaged youth in the area was limited as each one worked in isolation. A consultant was hired by an early funder of the Alliance to reach out to youth organisations and other key neighbourhood stakeholders with a member of the local community board who helped broker relationships. Organisations then worked together with the consultant to map out existing services, identify gaps and develop a "no wrong door" or integrated service delivery model, which aimed to ensure that "each young person gets the right programming at the right time."

The consultant's role was phased out as members took greater ownership of the Alliance. Ultimately six of the eight original agencies formed the founding membership of the Alliance. As a collaborative entity, the Alliance engaged in youth recruitment for all programs, created a centralised database to track youth services, and is coordinating new standardised training sessions for the teachers, caseworkers and job developers of all member agencies. Partners also established Supporting Potential in Our Neighborhood in response to the number of young people not able to sustain attendance due to academic and personal challenges. The curriculum combines life skills such as conflict resolution with academic skills such as reading and writing, and work readiness skills, such as financial literacy.

54 Foundation Center (2011) *Sunset Alliance for Youth*; interviews

As a consortium, partners were able to find the “right door” to services more efficiently. In the first year of the Alliance, a total of 302 youths were served and 295 referrals were made with 65 per cent of youth ‘sticking’ at the partner agency. The model enabled each agency to retain its own culture, philosophy and autonomy, while working collectively to improve outcomes for youth. Partners reported significant increases in financial efficiencies, significant increases in revenue and leverage over new funding sources, and increased and improved service delivery. The partnership has since ended due to funding decisions, highlighting the challenges associated with private funding and the need for sustainable funding models that have a level of accountability to local communities.⁵⁵

Working with employers to close the gap between supply and demand

Best practice in youth employment support demands strong connections between employers and employment services providers.⁵⁶ Every city recognised the importance of engaging with the business community.⁵⁷ It is a critical part of ensuring approaches are demand-driven and that initiatives lead to employment outcomes.⁵⁸ Increasingly, it is also an important part of ensuring a programme is sufficiently funded. As set out in New York City's One City, One System: "developing, sustaining and leveraging relationships of deep trust and understanding between public workforce services and private-sector employers must be among our highest priorities as a workforce system".⁵⁹

Historically, there has been an emphasis on supply-side interventions among practitioners working with young people and many programmes still do not have adequate links with employers. However, **a growing number of organisations are working directly with employers and a number of different models have emerged.** Employers play a strategic role as board members on WIBs, advising on strategies for local workforce investment. Local partners also work with local businesses to provide young people with insights into business and possible career paths, and with work experience placements. Morgan Stanley, Moody's and JP Morgan, for example, do 'speed networking' with young people from Opportunities for a Better Tomorrow (OBT). SEMCA in Michigan runs 'talent tours' to enable young people to learn about careers that are not as immediately obvious. As part of the tour, employers share their perspective on the importance of different skills sets and organisers have found that it "makes a difference to hear it from employers".⁶⁰ CBOs and cities also work with business to help breakdown the wider barriers faced by young people: a number work with banks to ensure individuals have some level of financial sustainability, for example.

Organisations, particularly those in more deprived areas, work with anchor institutions to train young people for entry level positions and create pathways for progression (Case Study 4). In many older industrial cities in the US, such as Baltimore, Cleveland and Detroit, the departure of the manufacturing sector has left large universities and hospitals as the major employers and engines of the local economy. In recent years, it has become increasingly common to refer to these "Eds and Meds," along with other organisations that are deeply rooted in place, such as sports stadia and utility companies, as 'anchor institutions'. Over the last decade, institutions in several of these US cities have embarked on efforts to more intentionally leverage the economic power and potential of these anchors for the benefit of disinvested communities through the use of targeted hiring, procurement and capital investment.⁶¹ CBOs in Detroit work with agencies and departments that are re-building the city's public infrastructure. For example, SER Detroit runs a summer employment programme with the Public Lighting Authority and a deconstruction project with the city.⁶²

56 Hossain, F. and Bloom, D. (2015) *Toward a Better Future: Evidence on Improving Employment Outcomes for Disadvantaged Youth in the United States*, MDRC

57 Interviews

58 What Works Centre for Local Economic Growth (2014) *Evidence Review: Employment Training*, WWCLG

59 City of New York (2011) *One System for One City: the state of the New York City Workforce System*, NYC

60 Interview

61 Interview

62 Interview

Practitioners are increasingly making demand-side interventions to influence employer recruitment practices. The Door, in New York, is working with retailers to create advanced retail programmes. Work with Gap Inc., Starbucks and McDonalds are also examples of best practice in this area.⁶³ Organisations have found it much more challenging to develop similar approaches with smaller employers and some are exploring how to make career ladders more transparent across companies and between sectors.⁶⁴

Over time, organisations have developed more effective ways of engaging with businesses, from setting out a clear rationale to establishing champions in the private sector. Many organisations take the approach of starting with smaller asks, asking employers to mentor young people for example. Youth Opportunities Unlimited in Cleveland has a menu of options for employers.⁶⁵ Good models evolve to establish a deeper partnership with employers, with employers discussing their skills requirements, inputting into curricula, and being involved in training. A number of organisations also provide support to employers, for example giving line managers toolkits.

Practitioners often try to encourage employers to take on young people by setting out the business rationale: “we’re not asking businesses to get involved for philanthropic reasons, there has to be a business case and it’s about training the future workforce”.⁶⁶ Employers increasingly view high quality programmes as recruitment pipelines. Organisations reported that establishing champions within the business community is an effective way of engaging more employers. Business representative organisations also have a role to play here. For example, Chambers of Commerce take a lead role in employer engagement in cities like Philadelphia.

An important element of effective employer engagement is coordinating outreach and creating clear access points. Pittsburgh Works has established a programme to streamline employer engagement. With multiple CBOs and city agencies reaching out to employers, it became evident that a lack of overall coordination risks some businesses being ‘bombarded’. By providing an employer engagement service, Pittsburgh Works hopes to reduce that risk and increase the number of employers engaged in programmes. The Lower East Side Employment Network (LESEN) has taken a similar approach.⁶⁷ JobsFirstNYC provided the funding to hire a Network Coordinator for LESEN. The role of the Coordinator is to develop and manage employer accounts, while simultaneously engaging partner organisations and community stakeholders in order to streamline connections between work-ready job seekers and area employers that provide quality jobs. In its first year as a funded Network, the LESEN is on track to create promising efficiencies that help both employers and job seekers. The Sunset Park Alliance uses a database to manage the Alliance Job Bank, which enables job orders to be shared among all Alliance job developers with a goal of a 100 per cent job-fill rate.

63 Interview

64 Interview

65 Interview

66 Interview

67 Interview

Case Study 3: Creating city-wide opportunities for work-based learning – After School Matters, Chicago⁶⁸

After School Matters (ASM) provides over 22,000 internships and apprenticeships to school pupils in Chicago and works with over 15,000 young people in the city, making it the largest programme of its kind. ASM evolved from Gallery 37, which offered young people apprenticeships in the arts, and has expanded to include technical and employability training in science, sports, tech and communications.

There are three different tiers within the apprenticeship model: pre-apprenticeships, apprenticeships and advanced apprenticeships. The internships allow young people to apply the skills they have learnt (through attending at least three programmes) in corporate environments. All programmes seek to replicate real jobs in a number of ways, for example by interviewing potential participants, maintaining professional standards and paying stipends. The average student-to-instructor ratio is 15 to 1.

ASM works with over 300 CBOs across the city, the Chicago Parks Authority, Chicago Public Schools (CPS) and other city agencies, as well as corporate partners to deliver programmes. Four different regional managers and their teams are responsible for building relationships with partners in different parts of the city and assessing the suitability of different sites. ASM also pays existing school staff to act as liaisons within schools to recruit young people, provide real-time information on what is happening in different schools and assist with tracking programme participants. ASM collaborates with the city government (who part fund ASM's work) to establish the 'One Summer Chicago' portal which connects young people with summer job opportunities available across the city. Overall, 65 per cent of funding comes from government grants and support, and the rest from private sources – the team raised over \$4.5 million at their last annual event.

ASM has expanded its research and evaluation team to track the performance of its programmes, and partners with universities to evaluate their impact. ASM programmes have high attendance rates (87.6 per cent compared to the national average of 75 per cent).⁶⁹ The programme has also been found to lead to higher high school attendance and graduation rates.⁷⁰

Case Study 4: Working with anchor institutions – Baltimore's 'Eds and Meds'⁷¹

Baltimore's education institutions and hospitals have been working together for several years to improve the economic vitality of communities in the city. Partnership between these 'anchor institutions', large employers and spenders with an inherent stake in the city, has been developed in part through the Baltimore Integration Partnership (BIP) to advance economic inclusion through anchor institution hiring, purchasing and capital investment powers.

⁶⁸ Interview

⁶⁹ After School Matters (2013) *Annual Report 2013*, ASM

⁷⁰ Chaplin Hall (2007) *After-School Programmes and Academic Impact: A study of Chicago's After School Matters*, University of Chicago

⁷¹ Interviews; City of Baltimore (2014) *The Baltimore City Anchor Plan: A community and Economic Development Strategy*, City of Baltimore

BIP is funded through Living Cities⁷² and local match. It is governed by a board with members from the nine anchor institutions (Bon Secours Hospital, Coppin State University, Johns Hopkins University, Johns Hopkins Medical Institutions, Loyola University, Maryland Institute College of Art, Morgan State University, the University of Baltimore and the University of Maryland, Baltimore).

The Board and BIP-specific work groups have worked together to identify, define and address complex economic issues in the city. Partners used demonstration projects to sustain momentum and identify promising strategies to build upon through partnership work. Data was central to informing these efforts, and promoting transparency and accountability. The first phase focused mainly on financing capital projects and connecting local residents to workforce services, training and jobs in those projects and others.

BIP completed a review of the first three years of the partnership, drawing out several lessons for the second phase, including: establishing a more narrow strategic focus; expanding anchor institution representation on the board; and increasing business and financial institution participation.⁷³ It also recognised the need to move beyond the focus on capital investment due to low levels of demand in the city, towards a focus on the hiring, training and advancement and procurement practices of the anchor institutions.⁷⁴

In the workforce development area, BIP has been working to identify where the employment opportunities are and to better understand the internal and external barriers to local hiring. As part of this work, BIP is connecting with workforce training organisations to help meet their hiring needs.

The second phase of BIP is moving forward in alignment with the new Baltimore City Anchor Plan. Signed in June 2014,⁷⁵ the Plan calls on city agencies and local institutions to discuss how they can share goals and resources to address public safety, business and the quality of life in the city. The city's anchor institutions are seen as an integral part of the Mayor's economic development plans. Representatives from the city and the institutions will agree to meet quarterly and the Mayor and Presidents of universities and hospitals will meet biannually to discuss progress.

Building on the work of the BIP, priorities to increase local hiring include: completing an inventory of available jobs for Baltimore City residents and a workforce plan at anchor institutions; creating a pipeline of qualified local residents that are trained and ready to apply for job openings at anchor institutions and at businesses in the surrounding communities; establishing a linkage between the Baltimore City Public School System (BCPSS), anchor institutions, and the Mayor's Office for Employment Development (MOED) to create career pathways and educational opportunities for Baltimore City students and graduates, and connecting career development staff from the anchor institutions with MOED to provide a pipeline of students for Youth Works and Employ Baltimore-Ready to Work for You initiatives.

72 For further information see <https://www.livingcities.org/>

73 Community Science (2014) *Baltimore Integration Partnership: BIP 1.0 Final Evaluation Report*

74 Interview

75 City of Baltimore (2014) *The Baltimore City Anchor Plan: A community and Economic Development Strategy*, City of Baltimore

One of the most critical lessons to emerge from the BIP's work was the need to align its efforts with other initiatives in the city and the Plan aims to achieve this. As Terry Sawyer from the Loyola University Maryland stated, "there is a spirit or an attitude of collaboration that's been enhanced since the mayor's been serious about this anchor plan. It's not just all doing good things, but doing it in a comprehensive and organized manner".⁷⁶

Case Study 5: 'Real world' work experience – Youth Build Boston⁷⁷

Youth Build Boston (YBB) partners with local colleges, unions, construction companies and planning authorities to provide young people with 'real life' work experience and vocational training in the construction sector through career exploration and pre-apprenticeship programmes. It targets communities with high crime rates, unemployment, and a high number of young people who lack basic skills. It aims to integrate education and training with work experience, leadership development and community service. The non-profit runs four programmes:

- **Career Exploration:** a paid 6- to 9-month programme for individuals interested in starting a career in the building trades. The programme combines academic instruction for a high school equivalency degree with occupational skills instruction, emphasizing hands-on methods and industry-recognized credentialing;
- **Pre-Apprentice:** a 12-week intensive programme for youths who have a high school diploma or equivalent, but need further training and credentials for entry-level employment in the building and construction trades;
- **The Designery:** an afterschool- or college-readiness programme, run in collaboration with the Boston Architectural School, exposes secondary students to architecture and urban design. It specifically targets design education, using real-world-based projects to educate participants in all aspects of architectural design. Young people follow three different tracks with the third involving time in an architectural firm and 100 per cent graduate from high school;
- **uBuild Service Learning:** engages youths as volunteers who lead community rehabilitation projects for local non-profits. uBuild also provides opportunities for corporate employees to volunteer alongside our youth.

Collaboration with other local stakeholders is integral to the funding and delivery of these programmes. Partnership with local colleges provides a pipeline of participants who can benefit from the training and the direct involvement of construction companies and trade unions ensures participants receive relevant training and experience. It also ensures participants have access to job opportunities.

YBB has established greater financial sustainability over time by diversifying its funding sources. Programmes are funded through city and state line-items, foundations and small grants from employers. uBuild also provides additional revenue as new builds and renovations are sold for profit, which is invested back into the programmes.⁷⁸

⁷⁶ The Baltimore Sun (2014) City formalizes partnership with local 'anchors'

⁷⁷ Interviews

⁷⁸ Interview

Case Study 6: Working with employers to create alternative routes into the professional service sectors – Year Up, 14 US cities with HQ in Boston⁷⁹

Since 2000, Year Up has worked with over 10,000 young people in 15 cities across the US, providing entry-level routes into professions such as finance and IT. These are jobs that have the potential to provide good wages and do not necessarily require a degree (44 per cent of technology jobs do not require a degree).⁸⁰ Year Up students face barriers to employment and higher education. They work with young people that have been in foster care, for example, involved in the court system or in substance misuse. Among Year Up students, 70 per cent are black or Hispanic, 60 to 70 per cent have dropped out of college, and others are working in minimum wage jobs.

Students complete six months of intensive training, with mentoring and coaching, to improve their professional skills before going on to a sponsored internship with a company. Students earn an educational stipend during training and internship and can earn college credits. Students are supported through their internships by their mentors and weekly visits to Year Up during their time with companies.

Participants are largely recruited through word of mouth and referrals from high schools and community partners. Applicants to the programme firstly sign up online, attend an open day and complete an application with a two-page essay before being invited to group and individual interviews to test their dedication, attitude and motivation. Once onto the programme, students sign a behaviour contract, where they ‘fire themselves’ from the programme if they do not meet the professional expectations of Year Up.

Year Up aims to change employer practices in developing and sourcing talent. Beyond its core programmes, Year Up has sought to influence employer practices through the development of an online, digital employer platform to provide information, tools and resources for employers. Year Up also brings employers together to share their experiences in B2B forums.

Year Up ‘future proof’ their students by equipping them with transferrable skills and working “not just to understand where the job market is now but how it is changing”.⁸¹ Year Up identifies growing sectors using real-time labour market information provided by Burning Glass⁸² and has local advisory boards that advise on anticipated demand.

Year Up invests about \$25,000 in each of its students, which is substantially more than typical youth employment programmes. Year Up has a unique revenue model in which corporate internship partners cover a significant portion of this cost.⁸³ As the organisation has expanded to operate in 14 different cities across the US, it has had to ensure that there are a significant number of entry level job openings and that the local philanthropic community is large enough to support the launch of the programme and ensure it is self-sustaining.

⁷⁹ Interviews

⁸⁰ Interview

⁸¹ Interview

⁸² See Case Study 13: Data for demand-led interventions: Workforce Intelligence Network

⁸³ Roder, A. and Elliott, M. (2014) *Sustained Gains: Year up's Continued Impact on Young Adult's Earnings*, Economic Mobility Corporation

The programme has achieved a number of positive outcomes, including: 100 per cent placement of qualified Year Up students into internships; over 90 per cent of corporate partners would recommend the Year Up programme to a friend or colleague and 85 per cent of graduates are employed or attending college full-time within four months of completing the programme. Initial results from a small-scale impact study conducted by Mobility demonstrate that Year Up students experience significant earnings gains after a year in the labour market, compared to a control group.⁸⁴ Year Up participants earned about \$13,000 more than members of the control group over the three years after the program and participants' earnings were 32 percent higher than those of the control group.⁸⁵ Year Up participants who graduated and secured jobs in either of the programme's two target occupations, IT and finance, earned the highest hourly wages (\$17.42–\$18.89).

Employers' incentives for working with Year Up go beyond corporate social responsibility. Year Up offers a recruitment pipeline to employers seeking to fill middle-skilled jobs that do not necessarily require a degree. With over 300 corporate partners, Year Up has established a strong network of private-sector employers by building a trusted brand. Year Up widens its network of employers by “getting in the door with small asks” and “consulting with employers to understand their needs”.⁸⁶

The programme's reach remains limited, however. Year Up estimate there are six to seven million young people not in living-wage jobs or education, and that they serve less than one per cent of Opportunity Youth. Staff estimate that due to the limited number of spaces available, they have to turn away at least 50 per cent of eligible applicants.

In an effort to widen its reach and build sustainable financial models, Year Up has begun to collaborate with community colleges and develop bespoke models for individual companies. Year Up Providence and Hasbro worked together to develop a curriculum to prepare young people for 250 permanent jobs at Hasbro, with Hasbro investing more than \$1 million to launch the programme. The company has committed to hiring 75 per cent of those who graduate from the training and to helping the remaining graduates into sustainable employment elsewhere in Providence. The Professional Training Corps is a community college based model that provides an opportunity for students to engage in meaningful workforce training. In this model, students are dual-enrolled in the community college and Year Up; technical skills are taught by college faculty, while Year Up staff provide professional skills and other wrap-around services. Year Up is also sharing lessons and best practice with others to help improve ways of working.

84 Roder, A. and Elliott, M. (2011) *A Promising Start: Year Up's Initial Impacts on Low-Income Young Adults' Career*, Economic Mobility Corporation

85 Roder, A. and Elliott, M. (2014) *Sustained Gains: Year up's Continued Impact on Young Adult's Earnings*, Economic Mobility Corporation

86 Interview

Strong local leadership brings cross-sector leaders together and keep their active engagement

Strong local leadership is a pre-condition for city-wide collaboration: “the most critical factor by far is an influential champion (or small group of champions) who commands the respect necessary to bring CEO-level cross-sector leaders together and keep their active engagement over time”.⁸⁷

In the US, city mayors play a major role in providing leadership for youth services. A number of interviewees talked about “using the convening power of the Mayor’s Office”. Mayor Marty Walsh in Boston plays an active role as part of the city’s workforce investment board, the Boston Private Industry Council (PIC), for example. Mayor Walsh appoints members of the Boston PIC and requires that CEOs attend every board meeting (as opposed to delegating responsibility to staff members). Mayor Walsh is a strong advocate for the programmes run by the PIC, building champions within the business community: “Mayor Marty Walsh is one of the best account managers at the PIC, you can expect a phone call from him if you don’t offer internships”.⁸⁸

The strength and influence of the Mayor’s Office varies in different cities.

In Detroit, for example, a city that saw the largest municipal bankruptcy in the US, interviewees felt that at times partnerships had made progress “in spite of the city”.⁸⁹ As Detroit recovers from bankruptcy and rebuilds basic public service provision, a number of stakeholders see the city “starting to take the lead again”.⁹⁰

Changes in administration can, however, cause uncertainty and result in changes to youth services and workforce development approaches. This is a challenge faced by the Centre for Economic Opportunity (CEO) in New York. The CEO was established by former Mayor Michael Bloomberg to pilot and evaluate new anti-poverty strategies. Being structured as part of the Mayor’s Office signals that the CEO is a priority for the Mayor and gives it influence in other departments. However, this also presents the risk that its remit or funding could change under new administrations. For example, Mayor de Blasio may not necessarily back the CEO in the same way Mayor Bloomberg did. In response, the CEO is working closely with other departments and agencies in the city to embed lessons learnt and institutionalise ways of working.

Leadership can take different forms and some argue that city collaborations should have a more distributive leadership model. There are numerous examples of individuals in the corporate or voluntary sector taking a leadership role, such as Bill Strickland, the founder and CEO of the Manchester Bidwell Corporation, and Gerald Chertavian, the founder and CEO of Year Up. Both of these initiatives have been scaled up through work with leaders in other sectors.

87 Hanleybrown, F., Kania, J. and Kramer, M. (2012) *Channeling Change: Making Collective Impact Work*, Stanford Social Innovation Review

88 Interview

89 Interview

90 Interview

Case Study 7: Mayoral influence – the history of the Boston Compact⁹¹

The Boston PIC is the convener of the Boston Compact, the city's historic collaborative school improvement agreement between the Mayor, the leaders of Boston's business and higher education communities, the Boston Public Schools, and the Boston Teachers Union. The Compact brought together the resources of public schools, universities, trade unions and the Mayor's Office to improve student academic achievement and work preparation. The long-running success of the Compact has required strong leadership to attract significant corporate investment and sustained engagement.

The Boston Compact was established in 1982 as a partnership between the business community and the public schools, and run out of the Mayor's Office. The essence of the Compact was an agreement whereby the school system would work to improve education and learning outcomes, and in return, businesses, colleges, and labour organisations would provide jobs and postsecondary educational opportunities for graduates.

The Boston PIC has run a summer job programmes as well as job-counselling services at several high schools for the last 25 years. It acts as an independent umbrella for the development of business-school programmes and is a 'safe and reliable avenue for businesses to engage'. Businesses were also attracted by the clear improvements in educational and employment outcomes that resulted from the Compact.

The Compact's goals are designed to be durable, resilient and measurable. Periodically, however, the Mayor and the Superintendent of Schools call for a new Boston Compact when circumstances change, new leadership is in place and it is viewed an appropriate time for a renewed collaboration focused on shared goals. The most recent Compact was signed in 2000 and incorporated new state accountability measures (goals), SATs, and other indicators of academic achievement, alongside data on success in college.

Case Study 8: Leadership from outside the public sector – Bill Strickland and the Manchester Bidwell Corporation⁹²

Bill Strickland is the founder and CEO of the Manchester Bidwell Corporation, an arts and vocational training centre in Pittsburgh. It is founded on the following principles: every human is valuable, environment influences behaviour and creativity fuels enterprise. Managers aim to instil a culture of 'learn, create, and celebrate'.

And there is a recognition that schools can't do everything. The centre has an annual budget of \$10 million and receives funding from the Department of Human Services, corporate sponsorship (including the donation of equipment) and foundation grants. The Corporation also partners with schools, other CBOs and universities to recruit young people and provide teaching staff. It offers vocational

⁹¹ Interviews; Portz, J. (unknown) 'External Actors and the Boston Public Schools: The Courts, the Business Community, and the Mayor', *Comparative Urban Studies Project Occasional Paper No.12*, Wilson Centre

⁹² Interview

training programmes, working with Heinz in food tech, Bayer in chemical testing and University of Pittsburgh Medical Centre (UPMC) in primary care.

There is a sense among partners that they “are doing something well”, which is evident in the outcome measures the Corporation collates. The graduation rate is currently 98 per cent and the approach has been replicated in five other cities to date.

The experience of cities that have established centres highlights the importance of leadership in maintaining the highest standards and working with others in the local community: “the most difficult element to replicate is the culture. In areas where it hasn’t worked it has been due to lack of leadership and ownership rather than money or resource. Local communities also need to have ownership of it”.⁹³

Partners established shared and clearly defined goals

Representatives from every city partnership emphasised the importance of establishing shared and clearly defined goals early on in the partnership.

Partners need to be clear that they are not just collaborating for the sake of it but that working in partnership will enable services to be delivered more efficiently or lead to better outcomes. Interviewees were also clear that these goals should be kept “at the centre of the partnership”.⁹⁴ The establishment of clearly defined goals gives partnerships momentum and greater leverage within the wider community, as one interviewee stated: “we’re all working within the same framework which means we have one voice and one message”.⁹⁵ Goals have been established around particular neighbourhoods or sectors, or a city-wide ambition to solve a particular issue.

For a number of cities this has involved the creation of taskforces to identify the need for change and forge consensus on priorities and strategic direction.

Mayor Bill Peduto in Pittsburgh set up a taskforce in 2014 to examine the barriers to youth unemployment in the city and what support local stakeholders could provide to help overcome them. A specific focus was the Summer Youth Employment Program. Four committees have been established as part of the taskforce: ‘fundraising’ to help the City underwrite more summer jobs; ‘curricula’ to focus on ensuring that summer jobs act as building blocks for future careers; ‘marketing’ to expand knowledge of the programme; and ‘partnerships’ to study new or improved job placement sites.

Interviewees stressed the need to put measurable goals in place so that partners can track success, review strategies and maintain momentum.

This requires continuous communication. As economic and institutional contexts change, partners may also need to review their collective goals and priorities.

Case Study 9: City collectives – Thrive Chicago⁹⁶

Thrive Chicago, modelled on Strive Cincinnati, aims to increase the diversity of quality enrichment programmes, increase high school graduation rates, and provide additional support for young people to pursue and persist in post-secondary options through a city-wide collective impact strategy. The idea behind the collective-impact model is to create a ‘cradle-to-career’ continuum of services for young people in Chicago.

The initiative evolved out of a growing recognition that the institutions serving young people in the city – from the school system and government agencies to non-profit and faith based institutions – had different missions. Thrive Chicago aims to establish a roadmap to strategically connect institutions under a unified vision for education and young people.

Much of the organisation’s first year was spent identifying key outcomes and analysing relevant data, developing necessary infrastructure and building widespread support for the partnership. The Mayor’s Deputy for Education

⁹⁴ Interview

⁹⁵ Interview

⁹⁶ Interviews; www.thrivechicago.org

convened 30 key leaders across the city representing community-based organisations, business, philanthropy, and city agencies to serve as thought partners to agree on a common set of goals. These leaders helped to widen engagement to a further 120 organisations in the city that collaborated to build a ‘cradle-to-career’ impact framework for Chicago – including a shared vision and mission, accountability structure and key outcomes to guide the work.

There has been strong momentum across the city around adopting the framework. Thrive Chicago is currently leading the development of a city-wide data warehouse, which will have the ability to connect data from all partner organisations, and a web-based dashboard, which will provide partners with reports on key data points critical to their implementation of Thrive Chicago priorities.

Case Study 10: Neighbourhood-based collaboration – Bronx Opportunity Network ⁹⁷

The Bronx Opportunity Network (BON) is a collaborative effort among a group of seven CBOs serving young adults in the South Bronx – one of the poorest neighbourhoods in the US with high levels of disconnected youth. The initiative developed out of a shared goal to increase college access – and to support post-secondary retention – among disconnected young adults in partnership with Bronx and Hostos Community Colleges. In the first year of the initiative, 100 young adults participated, and 76 young adults successfully completed their first year of college.

Partners worked together to assess the existing evidence and develop a framework for action. Continuous communication has been an integral part of ensuring that partners align and coordinate activity within this framework: “you need to have timing and space for meetings – communication is one of the most critical components to partnership working”.⁹⁸

Partnership has had multiple benefits: learning from others involved in the partnership, a collective voice giving them more power and influence in the wider system; a focus on demand-driven strategies; allowing partners to share best practice; brainstorming solutions to particular issues and working together to recruit. It also means partners can provide on-site support, for example at college campuses rather than just at community centres.

⁹⁷ Interviews

⁹⁸ Interview

Collaborative activity is supported by intermediary organisations

There is growing recognition of the need for independent support or a backbone organisation to coordinate, leverage resources and build capacity through best-practice sharing and professional development.

MyCom in Cleveland, for example, is “connecting the dots” by building public support and the infrastructure for collaboration, collating data and exploring how partners can build a shared data platform, incorporating the youth voice and improving access to ‘skill-building’ activities.⁹⁹ Intermediary organisations often play a role in vetting organisations by setting frameworks for performance management too.

A variety of organisations play this role in different cities, including the Philadelphia Youth Network, Jobs First NYC and the Boston Private Industry Council. LISC Chicago took the approach of establishing a backbone organisation in every neighbourhood as part of its work to address hotspots of deprivation and worklessness in the city. This is not necessarily about creating new infrastructure but creating the capacity needed to support collaborations. For some, city governments or Workforce Investment Boards have the potential to provide backbone support to youth employment collaborations.¹⁰⁰ In Pittsburgh, the WIB has helped to streamline activity between the city and county, where there had previously been a lot of fragmentation. This is considered a potential role even for cities with limited budgets – “if the city has no money, what can the city bring to the table? It can bring the glue and the people”.¹⁰¹

Fundraising to support intermediary organisations can be challenging.

Partners have been careful to find the appropriate balance between administration and frontline services and generally keeping administrative costs to a minimum. Some have sought to diversify funding sources, as “ownership of the backbone organisation increases when multiple investors put resources on the table”.¹⁰²

Case Study 11: A conduit for multiple funding streams – the Philadelphia Youth Network¹⁰³

The Philadelphia Youth Network (PYN) is a city-wide collaboration that “raises money as a collaborator and invests in the collaborative”.¹⁰⁴ The organisation stewards public and private funds to a single point of access with the aim to help young people (15-24 year olds) achieve economic, educational and personal success.

The PYN manages a \$28 million budget with 80 per cent spent on programming. Two thirds of funding comes from public sources with the remainder coming from the private sector. The PYN contracts with a network of 50 to 60 not-for-profit organisations to identify marginalised youth and reconnect them to college and career pathways. There are 50 full-time staff with an additional 40 to 50 staff employed in summer, whose job is to “know everything and connect the dots”.¹⁰⁵ The PYN also runs some programmes directly.

⁹⁹ Interview

¹⁰⁰ Interviews

¹⁰¹ Interview

¹⁰² Interview

¹⁰³ Interview

¹⁰⁴ Interview

¹⁰⁵ Interview

The PYN describes itself as an organisation promoting collective impact rather than just a fiscal management agency. It plays a role as a convenor for best practice sharing and advocate for systems change. The PYN also acts as a single point of access for business and it has a strong relationship with local businesses having established a number of champions in the private sector including the Chamber of Commerce. While the PYN is not generally considered to be as bureaucratic as government, it is still subject to the requirements of the Workforce Investment Act (WIA). In this regard, it acts as a translator to other organisations.

Oversight of all public and private funding for youth employment support in the city means that PYN can align resources to bring programmes to scale, fill gaps in provision and introduce new education options, and review and adapt approaches. In a context where the mayor serves a 4 to 5 year-term and there is a lack of stability in city government, the PYN also provides greater consistency and certainly for local stakeholders. The city government is, nevertheless, an important part of the system.

To date its programmes serve approximately 10,000 young people per year in Philadelphia, although its impact is considered to be wider due to its advocacy work. The graduation rate increased from 49 per cent in 2006 to 65 per cent in 2012/13, and is attributed to partners coming together to work collectively to reduce dropout rates (the target is 80 per cent).¹⁰⁶ The Philadelphia School District remains in severe financial crisis, however, and wider youth support programmes are also under-resourced (there are 15,000 applicants for 7,000 placements). Yet as a result of its success within this context, other cities like Pittsburgh are actively seeking to replicate the model used by PYN.

Case Study 12: Using an intermediary organisation to leverage resource – City Connect Detroit¹⁰⁷

City Connect Detroit (CDD) was established as a partnership between ten foundations to play a convenor role and identify national funding sources for youth programmes. Partners realised the resources were bypassing Detroit as they were not collaborating and coordinating activity. Municipal bankruptcy brought greater urgency to the situation. The consortium structure means that individual organisations take ownership and are very engaged as partners. Funders also act as champions bringing other funders to the table.

Its overarching goal is to impact on the system of youth services, with a focus on summer employment. CCD aims to achieve this by establishing common standards (it has established a quality standards framework), and connecting employers to education and training providers. It also aims to improve the quality of placements by coordinating funding and building capacity among partner organisations (to date it has worked with over 95 CBOs and businesses in Detroit), and to create pathways for young people by ensuring programmes are connected to post-secondary education learning opportunities.

¹⁰⁶ Philadelphia Council for College and Career Success (2014) *The Sixth Annual Report to Mayor Michael A. Nutter*

¹⁰⁷ Interviews

The Mayor has now made youth employment a major priority. As additional resources are deployed and programmes are established, CCD will be coordinating between partners with the aim of providing year round employment opportunities for over 5,000 young people. CCD plans to develop a competency-based approach for placements and to tailor provision to the needs of individuals through a tiered structure.

Going forward, CCD plans to keep infrastructure at a minimum, and continue to build trust and transparency among partners in the wider system with the aim of building more representation from education institutions and the private sector. The partnership is also currently working on building an electronic portal similar to ones that have been developed in Chicago and Philadelphia as there is still no single access point for young people. They also want to create a similar portal for businesses.¹⁰⁸

Activity is underpinned by shared data and evidence

Data sits at the heart of the most successful collaborations. It is used to inform policy design, with partners using data to understand the issues and how they might be addressed. Data plays an integral role in Thrive Chicago, for example, where it has been used to understand what has worked, where there are challenges, and what barriers exist to overcoming challenges.

A number of cities have used data as a call to action, demonstrating the scale of the challenge or what can be achieved through the collaboration.

The National Talent Dividend, a \$1 million prize awarded to the city that exhibits the greatest increase in the number of post-secondary degrees granted per one thousand population over a four-year period, has shown how leverage and focus on key data points can make a huge difference.

A number of city-based organisations work with national organisations, such as Jobs for the Future, to try and understand how demand for labour is changing. Here there is an emphasis on building a more detailed understanding of the job and longer term career paths, and the skills required. Others work with local universities. Carnegie Mellon in Pittsburgh, for example, runs ‘Window on Innovation’ briefings on future technology to help anticipate future training needs.

Interviewees emphasised the importance of establishing shared performance metrics to align activity and hold partners to account. Sunset Partners Alliance partners, for example, worked together to identify what data should be tracked and developed a system for regular data collection. The database was used to chart the progress of youth in advancing through the system, and served as a management accountability tool.

Performance management and evaluation is an important part of building the evidence base around what works, both to ensure the right investments are made and to leverage more resources (many philanthropic organisation require organisations to demonstrate a track record in delivery and outcomes). A number of organisations take a tiered approach to evaluation, starting by monitoring outcomes and reviewing data to assess whether outcomes meet expectations. This helps to ensure that programmes are evaluated at the right times and not too early. Several organisations are working to identify intermediate outcomes – or data that acts as a signal that a young person is likely to complete their training or find and stay in employment.

Boston After School and Beyond has taken a slightly different approach and developed the ‘Achieve, Connect, Thrive’ (ACT) framework as a guide to help youth programmes promote, track and achieve outcomes that matter most for children and youth. The single results framework is applicable to the full range of out-of-school programmes serving youth, which allows organisations to offer a clear and compelling body of evidence.¹⁰⁹ The Skillman Foundation in Detroit adopted the ACT framework and tweaked it to make it more relevant to local priorities by focusing the ‘Achieve’ domain on numeracy and literacy.¹¹⁰

¹⁰⁹ Achieving, Connecting, Thriving: The ACT Results Framework for Boston Youth. Available at: <http://www.expandinglearning.org/sites/default/files/Achieving%2C%20Connecting%2C%20Thriving%20%28ACT%29%20Framework.pdf>

¹¹⁰ Interview

Data sharing can lead to the more effective targeting of resources and better understanding of impact. Comprehensive information on youth populations is often unavailable due to fragmented data systems and cities have taken various approaches to help overcome this. Schools in Kalamazoo were initially reluctant to share their data due to the competitive way schools are funded and the impact of the privacy laws governing schools. This was overcome by identifying options for obtaining data within privacy constraints and demonstrating how the data would be used and for what purpose. Other solutions implemented in cities include the use of social media, finding low-cost ways to link existing systems and developing longitudinal data systems. Partnerships often place emphasis on giving providers access to data within the wider system and building analytical capabilities so that it can be used within individual organisations to inform the design and delivery of programmes.

Case Study 13: Data for demand-led interventions – the Workforce Intelligence Network ¹¹¹

The Workforce Intelligence Network (WIN) in South East Michigan connects non-profits to what's happening in the labour market and aims to give employers a voice within the workforce development system. Their mission is “to create a comprehensive and cohesive workforce development system in Southeast Michigan that provides employers with the talent they need for success”.¹¹² It is a collaborative effort between nine community colleges, seven WIBs and economic development partners, funded through grants from both Federal government and the state.

WIN uses multiple sources of labour market information to provide a comprehensive, up-to-date picture of supply and demand in South East Michigan. This includes publicly available sources of data such as the Bureau of Labor Statistics (BLS), Longitudinal Employer-Household Dynamics (LEHD), U.S. Census Bureau and Integrated Postsecondary Education Data System (IPEDS). It also uses Burning Glass data to access millions of online job postings from job boards, the State of Michigan, company websites, and Craigslist, which can then be filtered through multiple settings to provide information on specific sectors or occupations. The data is verified with regional companies. The CareerBuilder Talent Intelligence Portal provides access to hundreds of thousands of online resumes to provide a better understanding of what skills and knowledge jobseekers have in the region.

Using this data, WIN provides workforce development organisations and partnerships with real-time data on how and when people move from job-to-job and of the kinds of skills and experiences that lead to successful placement. It also provides up-to-date information on the profile of the current labour pool.

Case Study 14: Evidence-based policy making – Centre for Economic Opportunity ¹¹³

The former Mayor of New York Michael Bloomberg launched the Centre for Economic Opportunity (CEO) in 2006 in response to the recommendations put

¹¹¹ Interviews

¹¹² Interview

¹¹³ Interview

forward by a commission analysing the causes and consequences of poverty in the city. The CEO's remit is to identify, fund and evaluate solutions to lift families and individuals out of poverty. Around half of the Centre's time and resources are focused on improving young people's employment prospects through education, skills development and access to job opportunities.

The CEO provides a platform for ideas to be shared and generated. It plays a convening role, working with organisations such as the Youth Development Institute and the Workforce Professionals Training Institute in the city, to share lessons and inform the design of new programmes. The Centre attracts new innovators and it imports ideas; half the ideas in the CEO's pipeline are from elsewhere.

The Centre has piloted close to 70 anti-poverty initiatives since its inception. These include asset development, education, workforce development, health and justice programmes. It works with 14 different evaluation and technical assistance partners to monitor and evaluate all of its programmes. Programmes are closely monitored from the outset, reporting monthly and quarterly, and with approaches altered if necessary. Monitoring plays an important role in informing the timing and method of evaluation too. While randomised control trials (RCTs) are the gold standard in evaluation, conducting them is not always appropriate. With over 50 evaluations conducted in the last seven years, nine were RCTs.

Between 2006 and 2012/13, 17 programmes have been discontinued. Others have been continued and expanded. Five of the CEO's initiatives are being replicated in other cities across the US in recognition of their high impact. The CEO has also won an award for Innovation in American Government from Harvard University. Alongside the identification and expansion of a number of successful initiatives, the capacity building nature of the CEO's work means that other organisations are adopting new approaches in their work and ultimately serving their clients better. It has also helped encourage a culture of innovation among city agencies and service providers more widely.

There are a number of reasons the CEO has been successful in achieving its ambitions. Firstly, it has a significant budget – between 2006 and 2013 it has totalled approximately \$657 million – and private foundations are attracted by the strong evaluation component and its transparent use of data. Second, funding the CEO through a city tax levy and the donations of private dollars from foundations, businesses and individuals gives the CEO funding flexibility, allowing programmes that are untested or potentially controversial to be funded entirely through private contributions rather than public money. Third, as mentioned previously, being structured as part of the Mayor's Office signals that the CEO is a priority for the Mayor and gives it influence in other departments. And fourth, the CEO rewards innovation and risk-taking and has established itself as a 'safe place' for risk taking.

The CEO still faces a number of challenges, however. While the CEO was set up to break down the silos in government, many still exist. Parts of the Department of Education with responsibility for similar programmes to the CEO, for example, aren't aware of the CEO's work. Data sharing has a large part to play in this and at the moment there is no common platform to share data across the city's agencies.

Funders and policymakers can create tools and incentives to enable and support collaboration

Funding streams can act as a barrier to effective partnership working and create fragmentation within organisations. In the former, this is partly due to the fact that many funding systems are designed to encourage competition rather than collaboration. In some cases it is not perceived to affect collaborative working, for example where organisations serve different populations and communities and it may also be best for a CBO to refer an individual to another course or programme if it means they may be more likely to complete it and achieve a positive outcome. Overall, there were mixed views among interviewees as to whether collaborative working needed to be an explicit part of the criteria set by funders. A number of organisations felt that partnerships should not be enforced, although some city agencies, such as the Department for Youth and Community Development (DYCD) in New York, do write it into contracts. Some organisations, such as the Chicago Cook WIB, have taken a ‘carrot’ rather than a ‘stick’ approach and reward organisations for working collaboratively where it is appropriate. New legislation introduced as part of the Workforce Innovation and Opportunity Act (WIOA) will also encourage greater collaboration.

The complexity of funding streams can also hinder collaborative working.

The PYN, for example, faces the ongoing challenge of balancing its role as a convenor and responding to the needs of funders, as one interviewee felt that the PYN “was more caught up in what funders need”. There was a general consensus among interviewees that the successful alignment of initiatives and services requires far greater coordination at different government levels.

At the local level, there are examples of cross-boundary collaboration to better align investment. In Illinois, three local workforce boards and the non-profit Chicago Workforce Investment Council streamlined into one county organisation, the Chicago Cook Workforce Investment Board. It provided the foundation to strategically expand the reach of the region’s employment and training services; increase diverse funding; provide strategic focus and greater access to the system by the full spectrum of unemployed residents; give elected officials greater leverage in mobilising the business community; enhance the ability to target alternate funders for increased amounts of funding or coordinated patchwork for small grants; and introduce comprehensive supply and demand-side data. The new structure has allowed The Partnership to expand funding sources.

There are also examples of private sector and philanthropic organisations collaborating together. The New York Workforce Investment Funders, for example, is a group of more than 40 foundations that came together to establish the New York City Workforce Development Fund to distribute funds to demonstration projects and capacity-building efforts. The Fund’s goal is to enhance the effectiveness of the City’s public and non-profit workforce development programs. Collectively, these funders invested approximately \$28 million in youth-focused workforce programs and related services in 2013, which is larger than the city’s WIA Youth allocation from the federal government.

Open data is an important part of enabling partnerships to build a comprehensive understanding of where and how to target resources. CBOs

face difficulties in accessing government and public data in many cities. Chicago is seen as a national leader in predictive analytics, open data, civic engagement, and the overall use of technology to address urban issues. The Mayor's Transition Plan outlined how the city will work to open city data, and centralise and consolidate many of its internal service operations and databases: "we will open up our government to the public with unprecedented access to data and information".¹¹⁴

Federal government has also supported the evaluation of successful initiatives. Randomised controls trials are often seen as the gold standard in evaluation, although many partnerships and individual organisations are limited by a lack of resource and access to appropriate data. While there are ethical issues to take into consideration, a number of partners stressed the importance of rigorous evaluation for building support for successful programmes and for informing wider systemic change to improve outcomes for young people.

Case Study 15: Tackling policy barriers to effective collaboration – Performance Partnership Pilots¹¹⁵

Performance Partnership Pilots, passed by Congress in January 2014, will test the notion that additional flexibility for states and cities to pool funds and obtain waivers of certain programmatic requirements can help them overcome some of the significant hurdles they may face in improving outcomes for disconnected youth.

Up to ten sites may enter into Performance Partnership agreements to more efficiently and effectively use federal discretionary funding to improve outcomes for disconnected youth or those at risk of disconnecting. The agreements enable state and community leaders to blend funds from programs to meet the needs of disconnected youth.

The federal Departments of Education, Labor, and Health and Human Services, along with the Corporation for Community and National Service, will have the authority to provide waivers from any statutory, regulatory or administrative requirement for related policies necessary for the selected pilot sites to execute the agreed-upon plan. The aim is to ease the strain on communities trying to meet the needs of disconnected youth while advancing the goals of individual federal programs.

In order to be successful, Performance Partnerships require leaders at all levels of government to work together to identify the root of policy barriers and to craft solutions that ultimately improve service delivery. It is viewed as a potential game-changer in the way services are delivered.

Case Study 16: Federal support for evaluation – Pathways for Careers and Education¹¹⁶

Pathways for Advancing Careers and Education (PACE), formerly known as Innovative Strategies for Increasing Self-Sufficiency (ISIS), is a large-scale, rigorous evaluation of nine innovative career pathways programs across the country.

¹¹⁴ City of Chicago (2011) *Chicago 2011: Transition Plan*, City of Chicago

¹¹⁵ Interviews; Find Youth Info (2014) *Performance Partnership Pilots (P3) for Disconnected Youth: Fact Sheet*

¹¹⁶ Interviews; Pathways for Advancing Careers and Education (2015) *Career Pathways*

The evaluation is funded by the Department of Health and Human Services' Administration for Children and Families (ACF).¹¹⁷

The evaluation uses randomised assignment evaluation. Year Up is participating in the programme, along with a number of colleges, workforce partnerships and not-for-profit organisations across the United States. The programmes vary in nature but all promote access to and completion of post-secondary education, and target low-income, low-skilled adults and youth. All programmes also place emphasis on building successful partnerships.

A total of eight Year Up sites are involved and there are some site-specific variations to the Year Up programme. For example, Year Up New York is working to align its project management curriculum with the requirements for certification, and Boston and New York sites have implemented or are piloting a business math class as part of their professional skills curricula. Young people eligible for the programme were assigned via lottery to either a treatment group that can participate in the programme or a control group that cannot participate but can access other services in the community. Any differences detected between the two groups in the follow up period will be attributed to Year Up.

PACE attempts to tackle two major challenges to successful evaluation: how to determine more effective programme components and how to determine intermediate outcomes on vital casual paths so that future evaluation findings can be obtained more quickly. The programme is currently underway and there should be results available in two to three years.

117 Innovative Strategies for Increasing Self-Sufficiency (2014) *Isis Career Pathways Program Profile: Year Up*

How do the approaches taken vary from UK cities?

- Similar to the role of employers on WIB boards, employers in the UK play a strategic role on Local Enterprise Partnership (LEP) Boards – and Employment and Skills Board where they exist – although they tend to have a broader remit and have less influence as a number of programmes are nationally delivered or commissioned.
- While there is scope to improve employer engagement on both sides of the Atlantic, there are fewer examples of employers funding or being directly involved in city-level programmes in the UK, partly as there are fewer city-led initiatives and most are wholly public sector funded. Employer involvement was recognised by many involved in the Talent Match programme as an area where further progress was needed.¹¹⁸
- There are, however, a growing number of examples of cities working together with anchor institutions and employers are becoming more involved in city-level programmes as a result of the City Deals process. A number of UK cities, for example, are working with SMEs to widen young people's access to apprenticeships. As this work progresses, there is likely to be a number of lessons that can be shared between UK and US cities.
- One stop shops for young people have also been set up in the UK, although MyGo in Ipswich is the first employment centre especially designed for young people.¹¹⁹ Whereas employment centres are run by local WIBs in the US, they are run by the Department of Work and Pensions in the UK, meaning that it is more difficult to integrate services with complementary activity at the local level.
- Whereas city mayors play a major role in providing leadership for youth services in US cities, leadership takes a variety of forms in UK cities – from local authority Chief Executives and Leaders to voluntary organisations – as the majority of cities outside of London do not have mayors. This means that leaders in UK cities are potentially less visible.¹²⁰
- LEPs, local authorities and Talent Match lead organisations (dependent on their location) play coordinating roles for youth-related services in UK cities, although unlike similar organisations in US cities they have limited commissioning powers and funding. Instead funding is routed directly towards individual service delivery organisations.
- There is a growing demand for and use of labour market intelligence (LMI) data in UK cities, although many cities are limited in their capacity to access and analyse data. While a small number of city level initiatives have relatively extensive evaluations planned, historically there has been a general lack of robust evaluation.¹²¹
- Funding streams create fragmentation between services and providers at city level in both the US and UK, although US cities have more control over funding streams as discussed in the previous section.

118 CRESR and IER (2014) *Evaluation of Talent Match Programme: Annual Report Summary*, Big Lottery Fund

119 MyGo lead partners include Tomorrow's People, EOS Works Ltd, Suffolk County Council, Ipswich Borough Council, , New Anglia LEP, JobCentre Plus

120 Sweeting, D. (2015) *Mayoral governance in Bristol: An initial assessment of impacts*, University of Bristol

121 For further information see whatworksgrowth.org



Recommendations

This concluding section focuses on what the findings from the research mean for policymakers, practitioners and the business community in the UK.

The experience of partners in the US and the UK shows how critical collaboration is to the economic prospects of future generations. The examples included as part of this study show that collaboration can achieve better outcomes, allowing partners to: address the complex issues facing young people; meet employer demand; increase the accessibility of services; and create new pathways into employment in a more effective and efficient way while improving their own financial stability. It is a critical part of tailoring support to the needs of local communities and businesses, filling gaps in national provision, piloting new ways of working and building the evidence base on what works.

The case studies included in this report raise significant questions about the future of youth skills and employment policy in the UK. Evidence from the US suggests that the business community in the UK could do more to support young people into employment and ensure they have a recruitment pipeline. Collaborative working in this field has taken a variety of forms in US cities in part due to the role of the state relative to other actors and comparatively high levels of city autonomy. Strong local leadership is also an important factor, and funding structures can both help and inhibit collaboration. There is clearly a role for both cities and national government in the UK to play in creating the conditions for cross-sector leaders to collaborate.

Several recommendations for UK cities and local partners emerge from the study. Combined authorities and Local Enterprise Partnership (LEPs) should:

- Ensure strong local leadership and structures are in place to bring cross-sector leaders together with shared goals to improve young people's employment prospects, and maintain their active engagement;
- Use evidence and employer engagement to establish a narrow set of clearly defined and shared goals centred around youth employment;
- Leverage from a more diverse set of funding streams, including private sector investment;
- Designate an intermediary body (either the Combined Authority or the local Chamber, for example) to foster public-private relationships on a city-wide scale, engaging with employers with a clear offer of how they can get involved;
- Ensure that supporting infrastructure – data, performance management systems and a coordinating body – are in place to support the collaboration;

- Share data and monitor programme performance in an open and transparent way and consider pooling resources with other cities to fund the robust evaluation of similar initiatives.

Businesses, local Chambers of Commerce and other business representative bodies should:

- Get involved with, and where appropriate lead, the design and delivery of city-led youth employment initiatives that are delivered during the next Parliament;
- Work with Combined Authorities and LEPs to develop a city-wide offer for work experience and work-based learning in collaboration with schools and other learning providers.

Funders and policymakers need to create tools and incentives to enable and support collaboration. National governments in the UK should:

- Devolve commissioning of the post-2016 Work Programme and any subsequent youth employment programmes to cities;
- Implement Community Budgets to allow cities to join services up around young people;
- Commit long term to establishing partnerships to improve outcomes for young people;
- Support evaluation of the most promising city initiatives to assess whether they should and can be replicated elsewhere;
- Improve cities' access to quality labour market intelligence by investing in research and real-time databases, and by sharing more administrative data (DWP and HMRC specifically) with local partners;
- Explore ways to better align central government department programmes and delivery bodies with each other and with local partners.

Despite some progress in this area, it is unrealistic to expect any significant improvement in outcomes among young people in the UK without stakeholders taking a more joined up approach – and the business community becoming more involved in designing, delivering and funding initiatives. Reductions in government spending creates additional urgency for cross-sector leaders to come together to deliver solutions.



Facts and figures

Table 1: Economic activity by age in the UK, 2014

	Employment rate, 2014 (Q4)	Unemployment rate, 2014 (Q4)	Unemployed proportion, 2014 (Q4)	Inactivity rate, 2014 (Q4)
16-19yrs	35.9	25.0	12.0	52.1
20-24yrs	65.6	12.0	9.0	25.4
16-24yrs	53.3	16.1	10.2	36.5
25-29yrs	79.1	6.0	5.0	15.9
30-34yrs	82.0	4.0	3.5	14.5
35-39yrs	82.8	4.2	3.7	13.5
40-44yrs	83.8	3.6	3.1	13.1
45-49yrs	84.7	3.1	2.7	12.7
50-54yrs	81.9	3.3	2.8	15.4
55-59yrs	73.2	3.6	2.7	24.1
60-64yrs	48.3	3.6	1.8	49.9
Total	73.4	5.7	4.4	22.2

Source: Quarterly Labour Force Survey, 2015

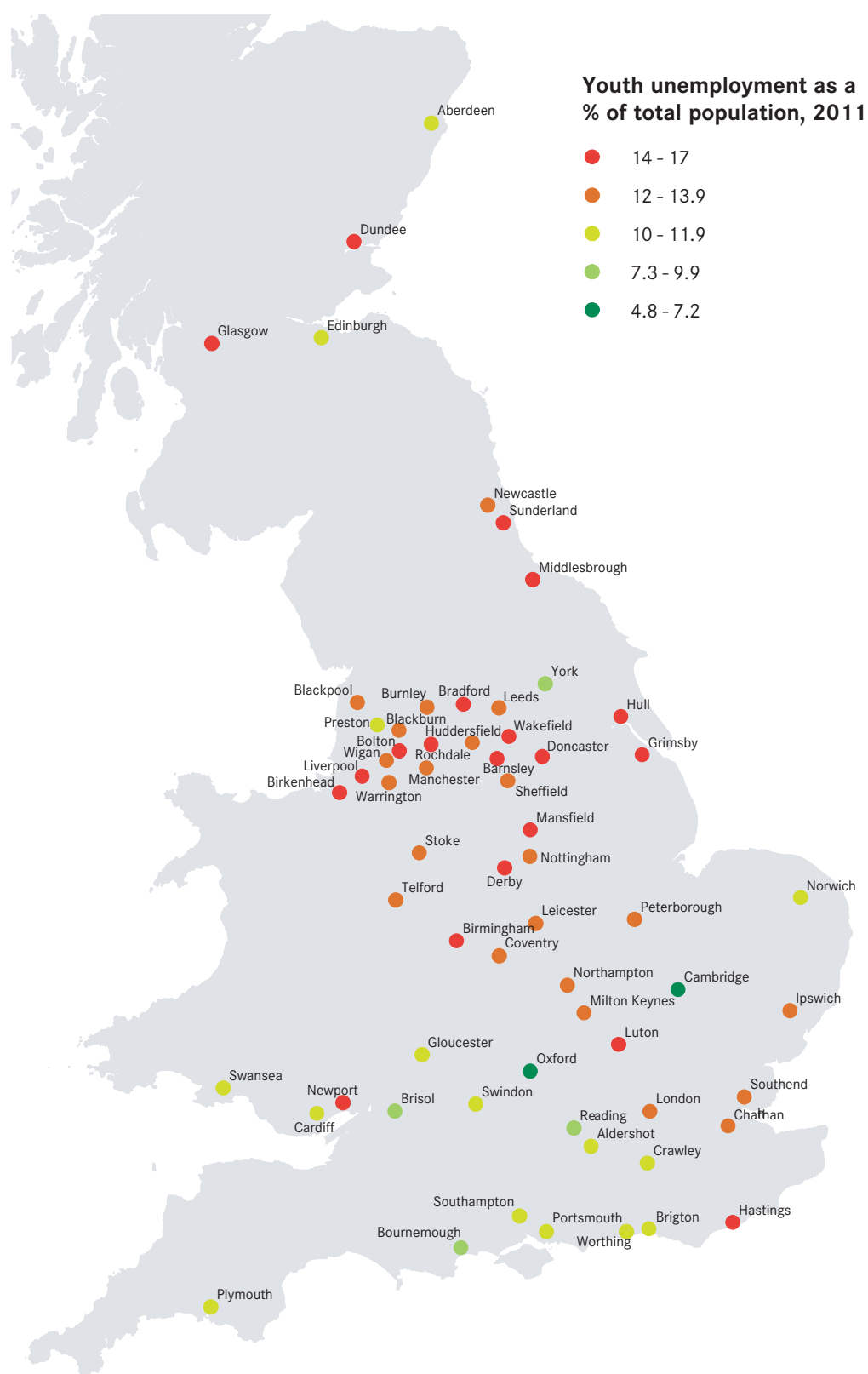
Table 2: Economic activity by age in the US, 2014

	Employment rate, 2014	Unemployment rate, 2014	Unemployed proportion, 2014	Inactivity rate, 2014
16-19yrs	27.3	19.6	6.6	66.0
20-24yrs	62.9	11.2	7.9	29.2
16-24yrs	47.6	13.4	7.4	45.0
25-29yrs	74.7	7.2	5.8	19.5
30-34yrs	77.1	5.9	4.8	18.2
35-39yrs	78.0	4.9	4.1	17.9
40-44yrs	78.5	4.5	3.7	17.8
45-49yrs	77.4	4.5	3.6	18.9
50-54yrs	74.8	4.3	3.4	21.8
55-59yrs	68.3	4.3	3.1	28.6
60-64yrs	53.3	4.4	2.5	44.2
Total	68.1	6.3	4.5	27.3

Source: Current Population Survey, 2015

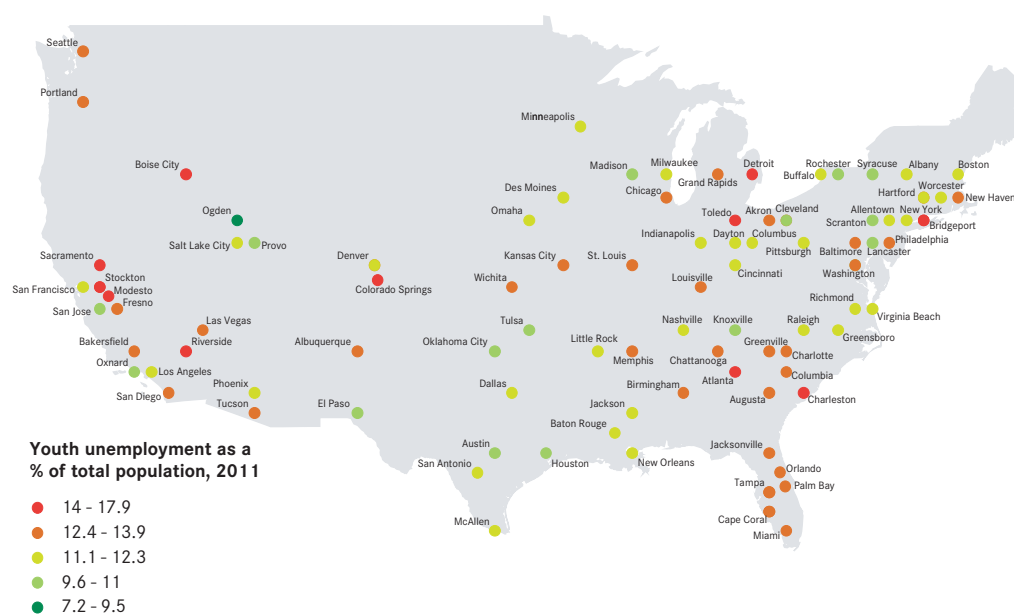
Note: The unemployed proportion is the ILO unemployed divided by total population, as opposed to the employment rate that divides ILO unemployed by economically active.

Figure 3: Youth unemployment as a proportion of the total 16 to 24 year old population in UK cities, 2011



Source: Census 2011, ONS

Figure 4: Youth unemployment as a proportion of the total 16 to 24 year old population in US cities, 2011



Source: Current Population Survey, 2011

Interviewee list

The author would like to thank the following individuals who agreed to be interviewed as part of this research:

Jason Perkins-Cohen, Job Opportunities Task Force, Baltimore
 Kurt Sommer, Baltimore Living Cities Integration Initiative, Baltimore
 Charles Rutheiser, Annie E. Casey Foundation, Baltimore
 Ernest Dorsey, Mayor's Office of Employment Development, Baltimore
 Linda Dworak, Baltimore Workforce Funders Collaborative, Baltimore
 Amanda Cox, Year Up, Boston
 Larry Smith, Mayor's Office of Jobs and Community Services, Boston
 Josh Bruno, Boston Private Industry Council, Boston
 Joseph McLaughlin, Boston Private Industry Council, Boston
 Julia di Bonaventura, Boston Private Industry Council, Boston
 Greg Mumford, YouthBuild Boston, Boston
 Mark Isenburg, Action for Boston Community Development, Boston
 Roger Oser, Action for Boston Community Development, Boston
 Erin Brooks, Suffolk Construction, Boston
 Daphne Griffin, Suffolk Construction, Boston
 Elizabeth Pauley, The Boston Foundation, Boston
 Anne Berrigan, Commonwealth Corporation, Boston
 Elyse Rosenblum, Employment Pathways Project, Boston
 Lisa Davis, Department of Children and Youth Services, Chicago
 Evelyn Benitez, Department of Children and Youth Services, Chicago
 Lisa Davis, Department of Children and Youth Services, Chicago
 Ricca Rivera, Department of Children and Youth Services, Chicago
 Rasauna Riley, Department of Children and Youth Services, Chicago
 Matthew Bruce, Chicagoland Workforce Funder Alliance (Chicago Community Trust), Chicago
 Susana Vasquez, LISC Chicago, Chicago
 Michelle Rafferty, Chicago Cook Workforce Partnership, Chicago
 Patricia Prado, Chicago Cook Workforce Partnership, Chicago
 Colleen D. Coughlin, Corporate Responsibility Group of Greater Chicago, Chicago
 Mischelle Causey-Drake, After School Matters, Chicago
 Jennifer Blackman, Chicago Urban League, Chicago
 Lisa Bottoms, MyCom (Cleveland Foundation), Cleveland
 Carol Rivchun, Youth Opportunities Unlimited, Cleveland
 Eric Matheny, Youth Opportunities Unlimited, Cleveland
 Grace Kilbane, Ohio Means Jobs, Cleveland
 Nicole Marbury, Cleveland
 Gayle Agahi, Cleveland Clinic and Youth Council Chair, Cleveland
 Melanie Green, Cleveland
 Stacy Kolcum, Cleveland
 William Houston, Cleveland Jobs Corp Centre, Cleveland
 Michael Taylor, Cleveland Jobs Corp Centre, Cleveland
 Shuna Hayward, City Connect Detroit, Detroit
 Robert Thornton, The Skillman Foundation, Detroit
 Dr. Sara Plachta Elliott, Youth Development Resource Centre, The Skillman Foundation, Detroit

Paricia Le Blanc, SEMCA, Detroit
 Alan Lecz, Workforce Intelligence Network, Detroit
 David Woessner, City of Detroit, Detroit
 Eva Garza Dewaelsche, SER-Metro Detroit, Detroit
 Veronica Sanchez Peavey, SER-Metro Detroit, Detroit
 Glenda Magarrell, SER-Metro Detroit, Detroit
 Veronica Sanchez Peavey, SER-Metro Detroit, Detroit
 Vaughn Washington, Kalamazoo Promise, Kalamazoo
 Pam Kingery, Communities in Schools, Kalamazoo
 Michelle Miller-Adams, Upjohn Institute, Kalamazoo
 Randall Eberts, Upjohn Institute, Kalamazoo
 Carson Hicks, Centre for Economic Opportunity, New York
 David Berman, Centre for Economic Opportunity, New York
 Scott Mendelsohn, NYC Department for Education, New York
 David Fischer, Center for an Urban Future/ NYC Jobs First, New York
 Christian Gonzalez-Rivera, Center for an Urban Future, New York
 Tom Hilliard, Center for an Urban Future, New York
 Louis Micelli, JobsFirstNYC, New York
 Marjorie D. Parker, JobsFirstNYC, New York
 Keri Faulhaber, JobsFirstNYC, New York
 Dan Bloom, MDRC, New York
 Randolph Peers, Opportunities for a Better Tomorrow, New York
 Kim Murrell-Robinson, Opportunities for a Better Tomorrow, New York
 Terri Saucier, Opportunities for a Better Tomorrow, New York
 Annie Norbeck, Opportunities for a Better Tomorrow, New York
 Greg Rideout, Henry Street Settlement, New York
 Andrea Vaghy Benyola, The Door, New York
 Lazar Treschan, Community Service Society, New York
 Eileen Torres, Bronxworks, New York
 Betty Ann Tamaisar, Bronxworks, New York
 Lisette Nieves, Bronxworks, New York
 Shalima McCants, Bronxworks, New York
 Alison Washabaugh, Year Up New York, New York
 Raphael Posenblatt, Year Up New York, New York
 Sabrina Skelton, Year Up New York, New York
 Jamie Alderslade, Citi Community Development, New York
 Tia Hodges, Citi Community Development, New York
 Alan Cheug, Department of Youth and Community Development, New York
 Mike Bobbitt, Department of Youth and Community Development, New York
 Mary Ellen Clark, New York City Employment and Training Coalition, New York
 Angelina Garneva, New York City Employment and Training Coalition, New York
 Kwaku Driskell, Robin Hood Foundation, New York
 Annie Martinez, FECS, New York
 Roni Badrian, Forestdale, New York
 Jako Borren, Bedford Stuyvesant Restoration Corp, New York
 Katia Caldwell, Park Dept, New York
 Jennifer Echelmen, Jewish Care Home, New York
 Keri Faulhaber, JobsFirstNYC, New York

Sophia Griffith, CAMBA, New York
Corinne Haynes, Queens Library, New York
Leshawn McFarlan, Queens Library, New York
Solia Riley, Parks Department, New York
Baum Robin, Jewish Care Home, New York
Tanya Thompson, Parks Department, New York
Stephanie Gambone, Philadelphia Youth Network, Philadelphia
Taylor Frome, YES Philly, Philadelphia
Mike Sack, YES Philly, Philadelphia
Andrew Swinney, The Philadelphia Foundation, Philadelphia
Paulo Nzambi, Manchester Bidwell Corporation, Pittsburgh
Tamica Mickle, Youthworks, Pittsburgh
Lisa Kuzma, Richard King Mellon Foundation, Pittsburgh
Andrews, Alicia, United Way Pittsburgh, Pittsburgh
LaTrenda Leonard, Office of the Mayor at City of Pittsburgh, Pittsburgh
Wayne Jones, Heinz Endowments, Pittsburgh
Jodi Leipold-Mostel, Three Rivers Workforce Investment Board, Pittsburgh
Andrew Moore, National League of Cities, Washington
Betsy Brand, American Youth Policy Forum, Washington
Garet Fryar, American Youth Policy Forum, Washington
Erin Russ, American Youth Policy Forum, Washington
Alan Berube, Brookings Metropolitan Policy Program, Washington
Neil Bomberg, National League of Cities, Washington
Russell Krumnow, Opportunity Nation, Washington
Melanie Anderson, Opportunity Nation, Washington
Tara T. James, National Human Services Assembly, Washington
Justin Bigelow, National Human Services Assembly, Washington
Jennifer Troke, Department for Labor, Washington
Brian Lyght, Department for Labor, Washington
Dr. Noël Harmon, Say Yes to Education, Washington
Owen Washburn, Brookings, Washington
Natalie Holmes, Brookings, Washington
Elizabeth Kneebone, Brookings, Washington
Martha Ross, Brookings, Washington
Bruce Katz, Brookings, Washington
Joseph Parilla, Brookings, Washington
Jesus Leal Trujillo, Brookings, Washington
Natalie Branosky, Inclusion US, Washington



April 2015

Centre for Cities

Enterprise House
59 - 65 Upper Ground
London SE1 9PQ

020 7803 4300

info@centreforcities.org
www.centreforcities.org

© Centre for Cities 2015

Centre for Cities is a registered charity (No 1119841) and a
company limited by guarantee registered in England (No 6215397)