

POHLAD FAMILY FOUNDATION 2015 YOUTH ADVANCEMENT OVERVIEW

Introduction: The Pohlada Family Foundation *Youth Advancement* grants provide support to programs that serve low-income youth ages 16-24 that are disconnected from education **and** employment. We believe that youth are assets, but many do not have access to the opportunity to reach their full potential. We understand the critical nature of healthy development through young adulthood and that this age is a time of establishing social norms and skills fundamental to lifelong success. We also know that our community's social and economic vitality requires our young people to gain skills needed to participate in the workforce.

Purpose of this document: Provide potential grantees with further information on the focus of the *Youth Advancement Program* including: the target population, the results we seek, need specific to our community including indicators used to track progress, factors that affect youth disconnection, best practices, and our contribution to improving outcomes for disconnected youth in the Twin Cities Metro.¹

Target population: Disconnected youth (aka – “opportunity youth”) ages 16-24, not enrolled in high school or college, not currently employed, and not on-track to gainful employment by age 25. We target our grants to youth who disproportionately experience disconnection as we believe these investments have highest return for youth and our community.

Results we seek: Economic prosperity for all youth in our community through education and employment. Most young people make a successful transition from adolescence to adulthood with the support of their families, communities, and schools. However, approximately one in ten of our community's youth lack the social supports they need to succeed as productive workers, responsible parents, and engaged citizens. These are the young people that *Youth Advancement* grants will benefit.

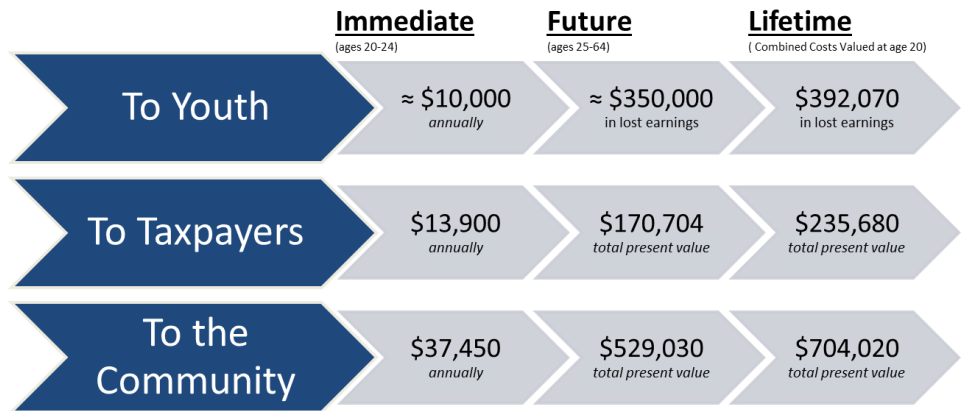
Why we believe this is important: Education and employment attainment are critical to the long-term success of youth and young adults and their advancement is essential to our communities continued economic competitiveness. Research demonstrates that:

- This age is a period of tremendous opportunity as most youth are optimistic, motivated, and willing to take responsibility for their goals.²
- Post-secondary education is increasingly a prerequisite to the middle-class; that part-time employment as a young adult boosts educational attainment; and early attachment to the workforce increases lifelong earnings.³
- The longer youth are disconnected, the more likely they are to be chronically unemployed/underemployed, live in poverty, rely on public assistance, and be involved in the criminal justice system.⁴
- Development at this age is as critical as that of early childhood and that “young adults who are not keeping up will have a harder time catching up.”⁵
- The convergence of a persistent achievement gap, rapidly changing demographics, growing demand in the labor market for post-secondary education, and an incoming workforce that is less educated than exiting baby-boomers will result in a skills shortage that threatens our region's economic competitiveness and vitality.⁶

Research also clearly establishes the economic impact of youth disconnection and potential value of ensuring youth are adequately connected to education and employment.⁷ The costs of not getting this right are significant for youth, taxpayers, and the larger community.

The High Costs of Youth Disconnection

A 20-year old disconnected youth can expect to earn \$392,070 less throughout their lifetime, impose a net tax-burden of \$235,680, and cost the community a total of \$704,020. On the inverse, these youth represent a significant untapped economic asset if we can collectively capitalize on their optimism and energy.



Graphic created using information from "The Economic Value of Opportunity Youth," Civic Enterprises (2012)

Need in Our Community and Community Indicators

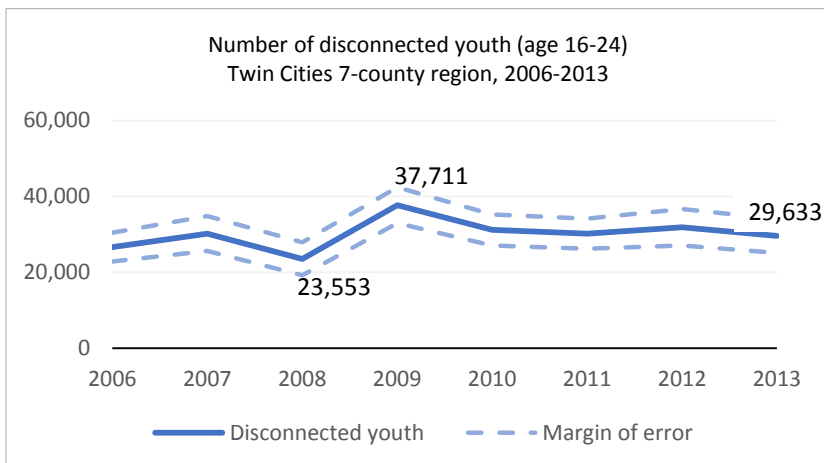
To understand the need in our community – we worked with Wilder Research to analyze Census data related to youth disconnection in the 7-County Twin Cities Metropolitan region. This data was consistent with national reports that document disconnection in the Twin Cities⁸ – but did highlight some specific trends and startling disparities in youth disconnection. We commissioned this research to answer 3 basic questions specific to the Twin Cities:

- (1) What is the need in our community and how is this trending?
- (2) Who are our community's disconnected youth?
- (3) Are there youth who disproportionately experience disconnection?

Findings:

(1) The Need and Trends in Our Community

Youth disconnection in the Twin Cities' 7-county metro region, while relatively low, is stubbornly persistent and shows significant disparities between youth of color and their white counterparts. Five-year estimates (2008-2012) indicate youth disconnection in the 7-county metro region is approximately 9.3% (31,803 disconnected youth), with youth of color experiencing disconnection at nearly 3 times the level of white youth (16.7% vs. 6%). In analyzing trends, youth disconnection has remained relatively flat – with an apparent spike in the midst of the Great Recession (2009) and leveling off by 2010.

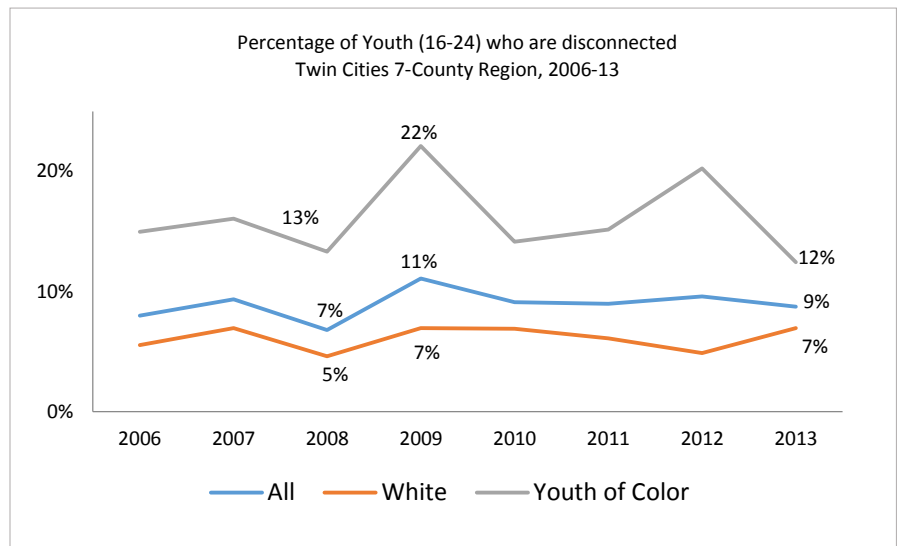


Total number of disconnected youth in the 7-County metro has ranged from 23,553 (2008) to 37,711 (2009). The total number of disconnected youth in 2013 was 29,633. Margins of error are relatively high (approx. 20% of the numeric estimate) – so Wilder Research used a 5-year estimate to gauge the total number of disconnected youth as 31,803.

A full page graphic is included following the "End Notes" of this document.

Percentage of all youth who are disconnected in the 7-County metro region has ranged from 7% at its lowest (2008) to its highest of 11% (2009). Five-year estimates suggest a disconnection rate of 9.3%, with youth of color experiencing disconnection at 16.7% (ranging from 12-22%) versus white youth at 6% (ranging from 5-7%).

A full page graphic including margins of error is included following the "End Notes."



(2) Who are Our Community's Disconnected Youth?

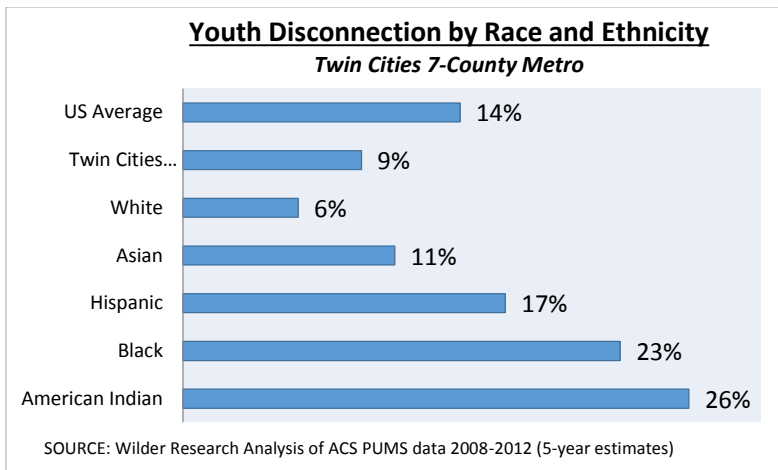
Disconnected youth are disproportionately male, low-income, and youth of color. Disconnected youth are also slightly more likely to live in the City of Saint Paul or Minneapolis than their peers, have lower educational attainment levels, and rely on public assistance.

	Disconnected Youth	Connected Youth
Total	31,803	342,596
Male	56.1%	50.2%
Live in low-income household (at or below 200% poverty)	54.8%	35.2%
Youth Of Color	55.2%	30.6%
Urban (live in Saint Paul or Minneapolis)	38.2%	32.4%
Dropped out of high school	44.0%	2.6%
Highest degree is high school diploma or equivalent	44.6%	20.0%
Parent w/dependent children	15.1%	5.7%
Disability	15.4%	5.4%
On Public Assistance	37.5%	14.3%

Characteristics of youth (ages 16-24), Twin Cities 7-county region – 5-year estimates (2008-2012)

(3) Disproportionate Experience in Disconnection

To understand disparities in disconnection, Wilder Research analyzed sub-groups of youth in the 7-county metro region. Perhaps the most striking disparities were that of race, followed by disproportionate disconnection by educational attainment, income level, and disability status.



Youth of color are nearly 3 times as likely to experience disconnection as their white counterparts (16.7% vs. 6%), with African American and Native American youth being most likely to be disconnected from education and employment (23% and 26% respectively). Asian Americans in our region experience disconnection at a rate higher than whites, which is strikingly counter to other major metropolitan regions.

A full page graphic including margins of error is included following the "End Notes."

Youth with post-secondary education were significantly less likely to experience disconnection than youth who dropped out or had only a high school degree (4.8% vs. 55.1% and 20.7% respectively). Youth who live in poverty are two-and-a-half times more likely to experience disconnection as youth who live at or above 200% poverty (17.1% vs. 6.6%), and youth with a disability are more than three-times more likely to experience disconnection as those without (26.3% vs. 8.3%).

Census data does not include other subgroups that are most likely to experience disconnection. However, local and national research suggests that youth involved in the juvenile justice system, foster care system, and experiencing homelessness are also disproportionately disengaged from education and employment.⁹

Factors that Affect Youth Disconnection

As with any social condition, underlying causes of youth disconnection are multifaceted and complex. There is evidence that certain community conditions and attributes affect potential for youth disconnection. These include:

- **Poverty.** Disconnected youth are more likely to come from low-income families and live in high-poverty neighborhoods.¹⁰
- **Racial disparities.** Even after controlling for education attainment, youth of color are disproportionately disconnected as compared to their white counterparts.¹¹
- **Structural changes in the job market.** Job loss in the recession has disproportionately affected workers with the lowest levels of education while job growth has benefited workers with post-secondary education.¹² Increased competition for limited job openings has also led to historic highs in youth unemployment.¹³
- **Too few youth are sufficiently prepared for today's workforce.** Long-term declines in vocational education, employer provided training, apprenticeship and other "learn and earn models" coupled with lack of "soft-skills" contribute to youth being unprepared for the rigor of today's workforce.¹⁴
- **Fragmentation of public support services for youth.** Support systems that are in place to support at-risk youth are a complex, dizzying maze that often operate in isolation despite common interest in young people's success.¹⁵ This fragmented approach has been described locally as "many contacts, little coordination."¹⁶

Evidence about What Works and Promising Practices

We are interested in supporting proven approaches that make a significant impact on the number of disconnected youth in our community. While we do not want to be prescriptive in the process used to improve outcomes for disconnected youth and are always interested in new ideas, we actively seek proven practices that can be expanded. Promising and proven practices include:

- *Career Pathway* approaches that integrate basic education with technical training while providing social supports and career navigation (such as Minnesota FastTRAC or Jobs for the Future's "Back on Track" initiative)¹⁷.
- "*Learn and earn*" models that combine paid employment experience with occupational and technical skills training. Models may include paid internships, apprenticeship models, and wage subsidy approaches that assist young people in gaining occupational skills while starting on a career path.
- "*Collective Impact*" approaches that align supportive services for basic needs, education institutions, public services and employer networks to have a common agenda and focus on improving outcomes for at-risk youth.

Our Contribution to Positively Impacting Youth Disconnection

Beginning in 2015, we will invest in high performing organizations that directly impact the number of disconnected youth in our community. We will invest \$1 million annually in efforts that lead to lowered experience of disconnection, inviting applications for funding from agencies that submit letters of interest and fit funding guidelines. Our contribution to "turning the curve" will be tracked through the following program level outcome indicators:

- Secure employment and increase earnings
- Education re-engagement, advancement and attainment
- Industry credential attainment

In addition to investing in high performing organizations, we will work with grantees to build relationships and financial resources, provide flexibility in use of funds to drive maximum impact, and support shared learning across organizations that have a collective interest in improving results for disconnected youth.

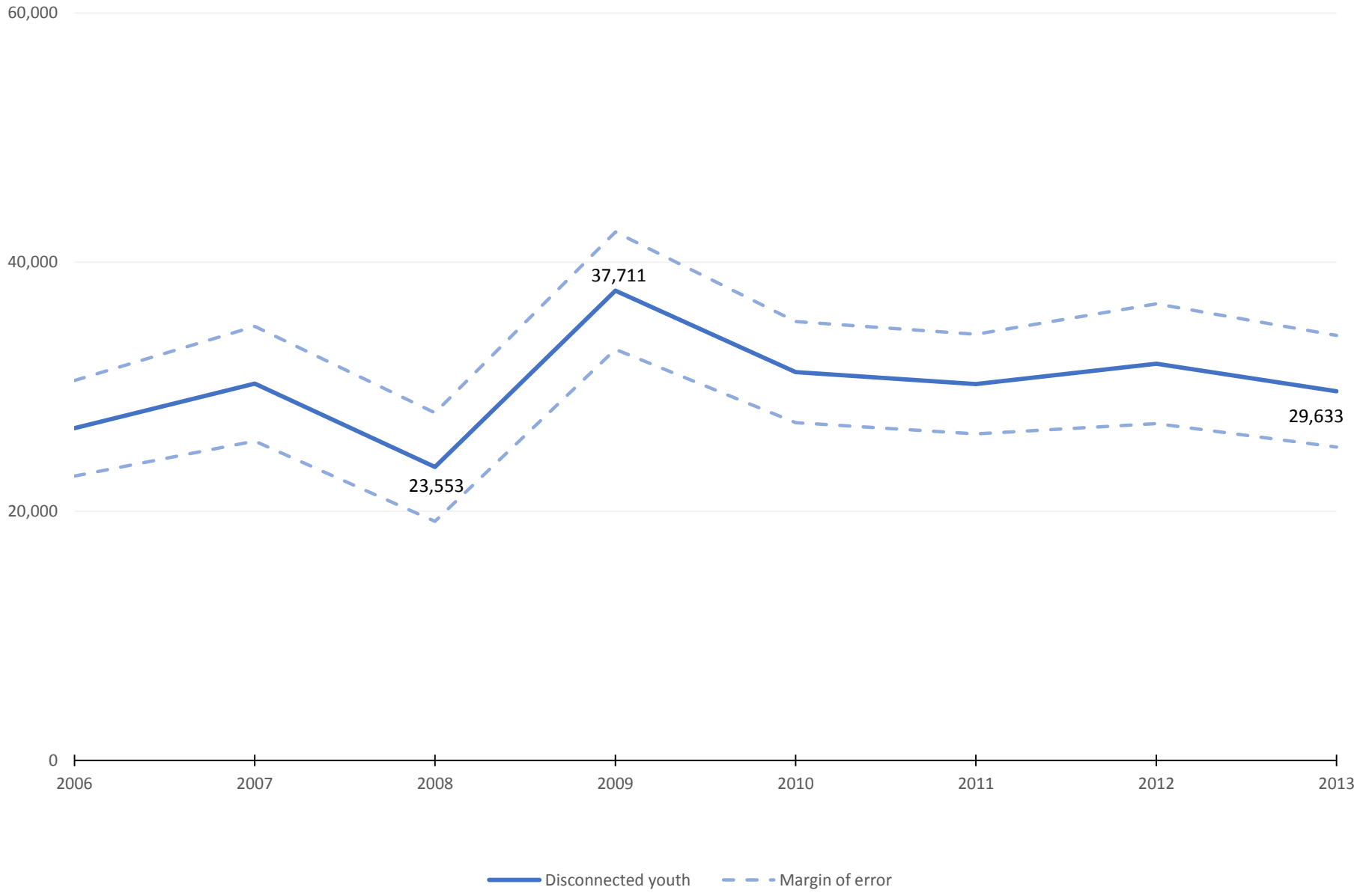
More information about the Youth Advancement Program, including the process to apply for support, can be found on the Pohlada Family Foundation Website at www.pohladfoundation.org.

End Notes

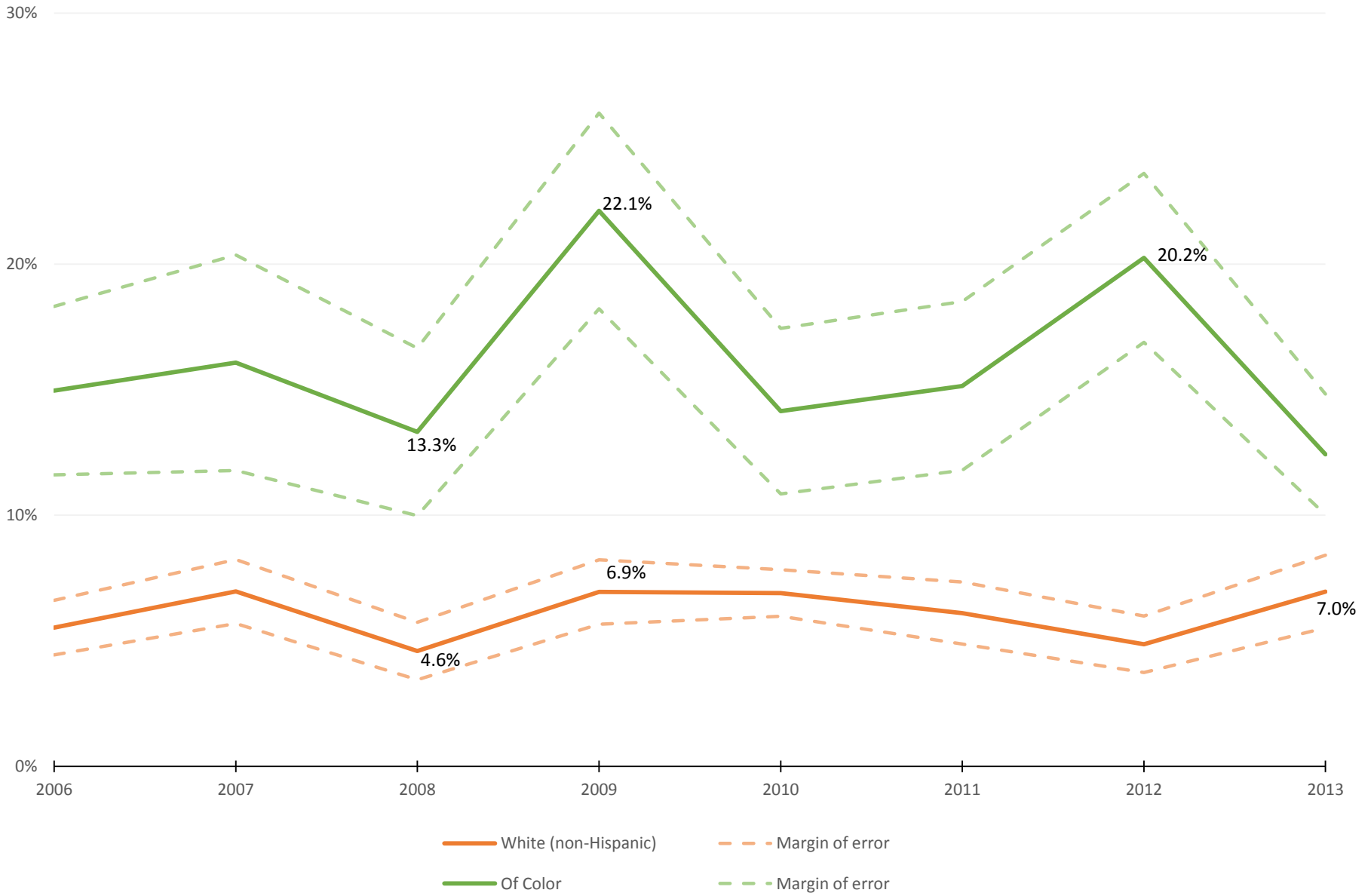
- ¹ Our Youth Advancement planning utilized a “Results Based Accountability (RBA)” framework. More information on RBA can be found at <http://resultsaccountability.com> or Mark Freedman’s book, “*Trying Hard is Not Good Enough*” (2009).
- ² Bridgeland, J.M. & Milano, J.A. (2012). *Opportunity Road: The Promise and Challenge of America’s Forgotten Youth*. Civic Enterprises & America’s Promise Alliance.
- ³ Governor’s Workforce Development Council (2012). *All Hands on Deck*; Ruhm, C (1997). *Is High School Employment Consumption or Investment?* Journal of Labor Economics; Sum, A., et. al (2014). *The Plummeting Labor Market Fortunes of Teens and Young Adults*. Brookings Institute.
- ⁴ Burd-Sharps, S. & Lewis, K. (2012). *One in Seven: Ranking Youth Disconnection in the 25 Largest Metro Areas*. Measure of America.
- ⁵ National Academy of Sciences (2014). *Investing in the Health and Well-Being of Young Adults*. Available at <http://www8.nationalacademies.org/onpinews/newsitem.aspx?RecordID=18869>
- ⁶ Governor’s Workforce Development Council (2012). *All Hands on Deck*. By “less educated” we are referring to academic achievement/post-secondary education as the outgoing workforce will always have more applied experience (in this case it is both academic achievement and expertise gained through employment).
- ⁷ Belfield, C., Levin, H., & Rosen, R. (2012). *The Economic Value of Opportunity Youth*. Civic Enterprises.
- ⁸ Lewis, K. & Burd-Sharps, S. (2013). *Halve the Gap by 2030: Youth Disconnection in America’s Cities*. Measure of America; Burd-Sharps, S. & Lewis, K. (2012). *One in Seven: Ranking Youth Disconnection in the 25 Largest Metro Areas*. Measure of America.
- ⁹ Burd-Sharps, S. & Lewis, K. (2012). *One in Seven: Ranking Youth Disconnection in the 25 Largest Metro Areas*. Measure of America. Hennepin County (2014). Bridgeland, J.M. & Milano, J.A. (2012). *Opportunity Road: The Promise and Challenge of America’s Forgotten Youth*. Civic Enterprises & America’s Promise Alliance. A-GRAD Educational Outcomes for County-Involved Youth – Final Report. Full report available at http://www.hennepin.us/~media/hennepinus/your-government/projects-initiatives/documents/WS_AGRAD-EducationalOutcomesForCIY_FinalReport-61814.pdf
- ¹⁰ Lewis, K. & Burd-Sharps, S. (2013). *Halve the Gap by 2030: Youth Disconnection in America’s Cities*. Measure of America
- ¹¹ Rockefeller Foundation (2013). Youth and Skills. More information can be found at: <http://www.rockefellerfoundation.org/uploads/files/d48119fb-bd50-464c-887f-f8eaa5518-external.pdf>
- ¹² Governor’s Workforce Development Council (2013). Skills at the Center available at www.gwdc.org/policy/skills_gap
- ¹³ Ayres Steinberg, S. (2013). *The High Cost of Youth Unemployment*. Center for American Progress.
- ¹⁴ Seldon, W. & Irons, J. (2013). *Three Questions to Ask if You’re Serious about Jobs for Youth*. The Bridgespan Group. Sum, A., et. al (2014). *The Plummeting Labor Market Fortunes of Teens and Young Adults*. Brookings Institute.
- ¹⁵ Allen, L., Miles, M. & Steinberg, A. (2014). *Achieving Collective Impact for Opportunity Youth*. Stanford Social Innovation Review.
- ¹⁶ Hennepin County (2014). A-GRAD Educational Outcomes for County-Involved Youth – Final Report. Full report available at http://www.hennepin.us/~media/hennepinus/your-government/projects-initiatives/documents/WS_AGRAD-EducationalOutcomesForCIY_FinalReport-61814.pdf
- ¹⁷ More information on the Career Pathways model and its components can be found at <https://learnwork.workforce3one.org/view/2001134052969836533/info>. More on FastTRAC and Back-on-Track can be found at: <http://www.mnfasttrac.org/approach.html> and <http://www.jff.org/initiatives/back-track-designs/our-mode>.

Report written by Brian Paulson, Senior Program Officer at the Pohlada Family Foundation. Questions, clarification or recommendations on edits/corrections can be sent to Brian at bpaulson@pohladafoundation.org.

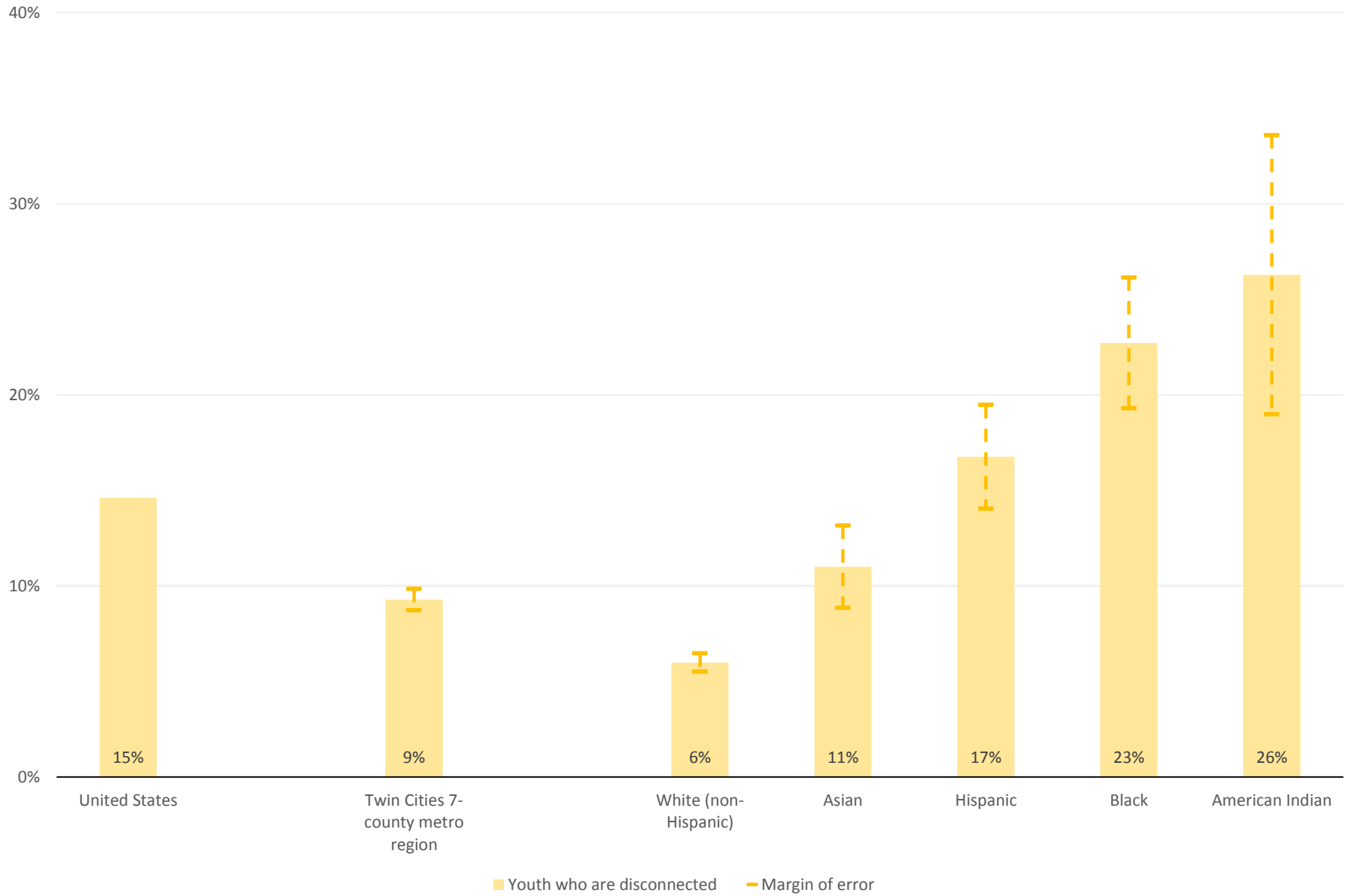
Number of disconnected youth (age 16-24)
Twin Cities 7-county region, 2006-2013



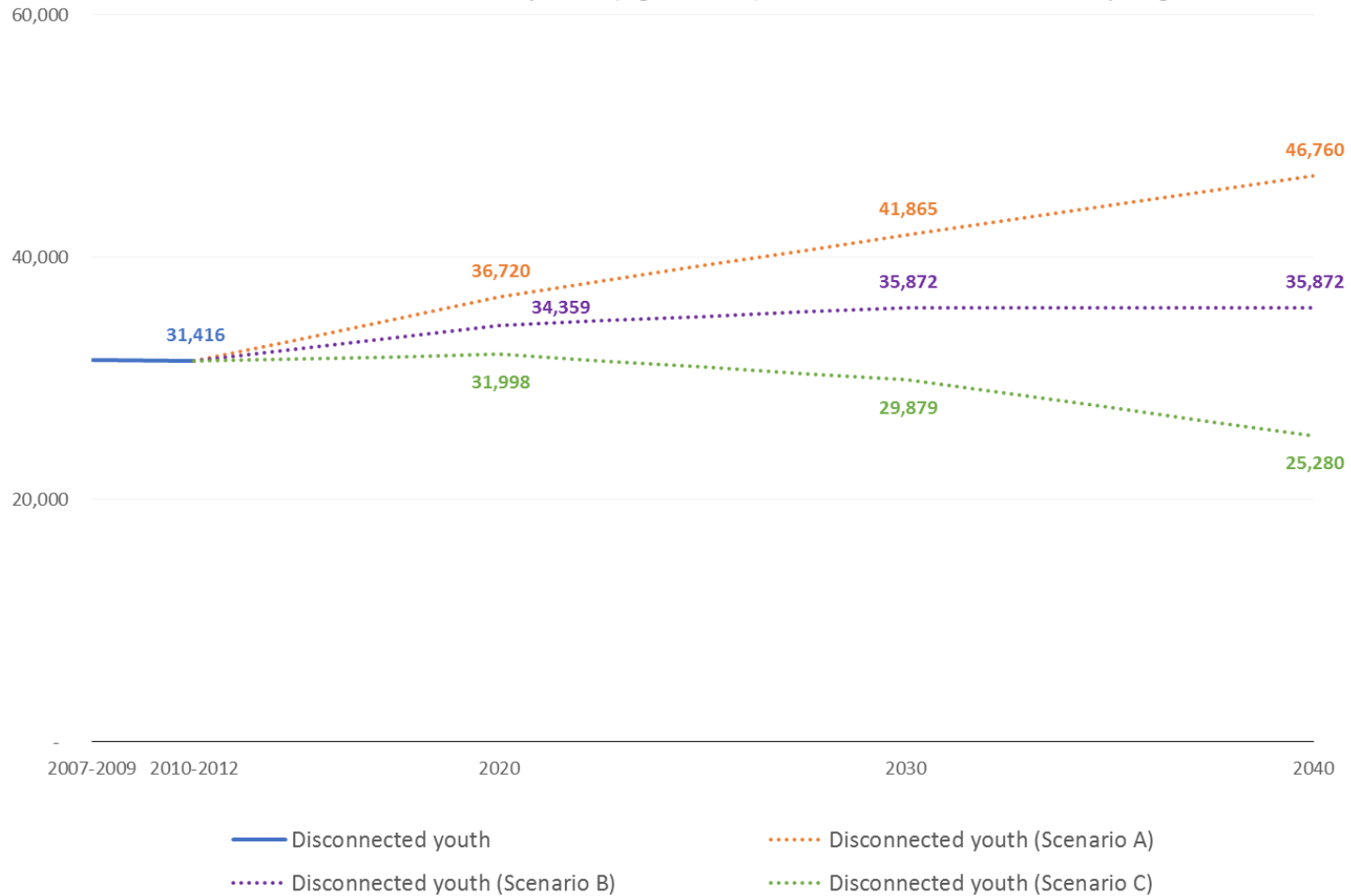
Percentage of youth (age 16-24) who are disconnected by race
Twin Cities 7-county region, 2006-2013



Percentage of youth (age 16-24) who are disconnected by racial and ethnic group
Twin Cities 7-county region, 2008-2012 (5-year aggregate estimates)



Potential scenarios through 2040:
Number of disconnected youth (age 16-24) in the Twin Cities 7-county region



Today, about one in three youth in the Twin Cities 7-county region is a person of color; by 2040, half of the Twin Cities youth population is projected to be of color. Given rapid demographic change predicted for our region, these scenarios represent the opportunity we have to close gaps in youth disconnection by race. Scenario A shows what could happen if present gaps in youth disconnection continue, at the same time that our youth population becomes increasingly racially diverse. Scenario B shows what could happen if we “Halve the Gap” between Youth of Color and non-Hispanic White Youth. Scenario C shows what could happen if we closed the “disconnection” gap between Youth of Color and non-Hispanic white youth completely.

Note: The scenarios do not rely on econometric modeling and do not include controls for other factors that may influence youth disconnection in future years. They should not be interpreted as precise forecasts of future trends, but rather experiments in what could happen given demographic predictions for our region. (Wilder Research, 2014)