



Youth Transition Funders Group

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Investing in the Economic Well-Being of America's Most Vulnerable Young People

**FRAMEWORK FOR INVESTMENT &
2018 PUBLIC POLICY RECOMMENDATIONS**



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America is the intended

“land of opportunity for all.”

It is a nation where all young people should be on a pathway to a bright future, no matter who they are, where they live or what challenges they face.



And yet, the ladder of economic mobility seems to be eroding, especially for young people of color and those who are poor.

For many, the rungs are so far apart that it is impossible to move ahead. For the American Dream to be real, young people must have the education and employment opportunities they need to get ahead. This requires addressing and removing those systemic and structural barriers that perpetuate inequity.

We are living in a time when our education and employment landscapes are undergoing seismic changes due to globalization and advanced technologies. Education and employment options are fluid and often unpredictable. The jobs of today could be eliminated by automation and outsourcing, and the jobs of tomorrow are largely unknown. In an era defined by disruption, many are at risk of losing their economic footing, or falling behind, but none more than those who already face vulnerable and challenging situations. Young people in poverty, those out of school and work, and those who are adversely impacted by life circumstances—including young people who are homeless, in foster care, or adjudicated—need economic advancement opportunities more than ever before.

How do we change this?

Our goal is simple.

**The Economic Well-Being Work
Group of the Youth Transition
Funders Group believes it is time
to align and coordinate our
influence and investments.**



We can be a nation where

I

All young people receive the learning and working opportunities that prepare them to be the workers and citizens our nation needs.

II

Young people in vulnerable situations can access and achieve in education and employment pathways that lead to economic advancement.

III

All young people have the monetary, housing and healthcare supports needed to make a successful transition from adolescence to adulthood, and high school to college or the workforce.

IV

Young people's race, ethnicity, situation and status do not limit their educational and employment opportunities.

V

Young people in vulnerable situations are safe at school and work, and receive accommodations that make success possible.

Millions of young people in America
are living in vulnerable situations and
at the margins of society.

5,000,000+

ARE NOT IN SCHOOL
OR WORK

1.5 MILLION

EXPERIENCE HOMELESSNESS
EACH YEAR¹

1/2 MILLION

ARE IN
FOSTER CARE

1 MILLION

UNDER AGE 18 ARE ARRESTED
EACH YEAR²

IN EACH OF THESE CASES, YOUNG PEOPLE OF COLOR ARE DRAMATICALLY OVER-REPRESENTED.



It's a worthwhile investment.

Over the past few years, powerful national movements focused on improving outcomes for young people who are out of school and work (“opportunity youth”³) and boys and men of color have gained real momentum.⁴ This heightened awareness on disconnected young people has brought more and better data and stories to the forefront, making a clear moral and economic case in the value of investing in vulnerable young people.⁵

A recent report⁶ suggests that if one million of the nation’s roughly 5.5 million opportunity youth⁷ were reconnected to school or work today, and 60 percent of those young people stayed on track, taxpayers would experience a net benefit of \$98 billion. Doing nothing is costly. Vulnerable young people’s struggles have personal and societal costs. Those who are disconnected when they enter adulthood tend to rely on public benefits. They also have increased chances of engaging in illegal activity, getting pregnant without a plan, abusing drugs and alcohol, and suffering from mental health problems. The lifetime social costs⁸ for just one 20-year old who remains disconnected from school and work is more than \$700,000.⁹

Doing nothing is costly.



It's time to connect and align.

As a part of a national funder network, we recognize how our influence can extend far beyond the sum of our individual investments.

Recent events have shown just how much is at risk and in flux for vulnerable young people, and for our nation overall. It is time for influencers who are focused on the economic well-being of underserved young people¹⁰ to connect and align so that we join together as better champions and stronger advocates for those young people in our nation who need us most.

The current policy climate is tenuous. Many public policy proposals under consideration at the federal and state levels could push young people in vulnerable situations down the economic ladder and cause significant harm. Political and public will, as well as financial investments, are being diverted from services, supports and programs that have historically helped those who are most in need. Without these, our nation's most underserved young people will be further marginalized, placing more threats on their safety and well-being and lessening their chances of economic success.

**We can join together as better champions
and stronger advocates.**




What you can do.

The following framework for investment and set of public policy recommendations offer influencers a roadmap for how we might fund and fuel communities, systems and programs in ways that make economic well-being a reality for all vulnerable young people in America.



Fellow philanthropists

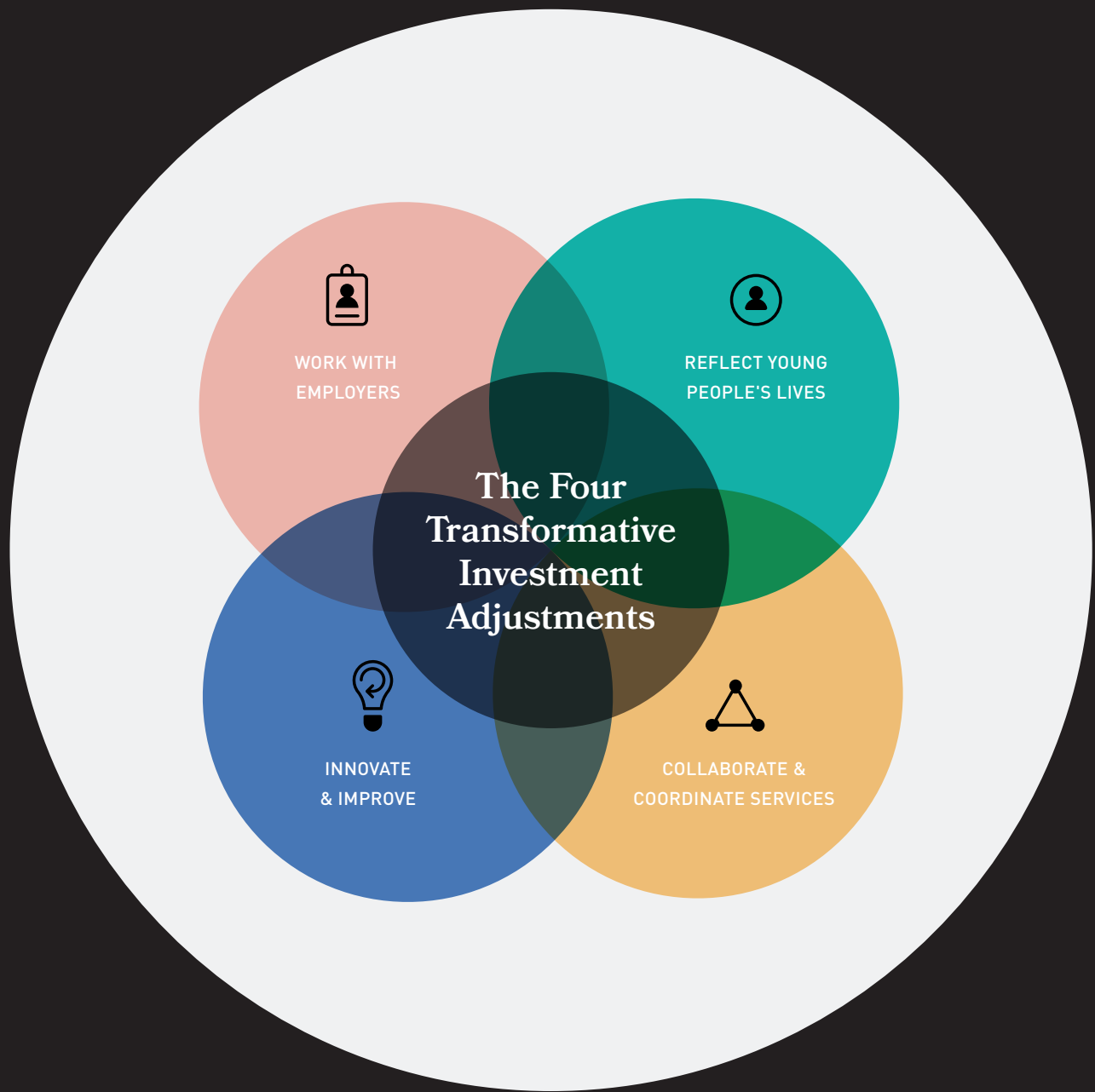
We hope you will use the **Investment Framework** to guide and inform your giving. The four areas can be used in an evaluative capacity, or more generatively as guideposts for future gifts. If the funding community can act on these four areas collectively, then we can amplify and advance our shared goal of getting underserved young people the education and employment options they need to get ahead in life. Distribute the policy recommendations to your grantees, or use them in your own advocacy and government relations efforts.



Policymakers, agency and system leaders

The **Investment Framework** can serve as a guidance tool when developing new or revised initiatives, programs and funding opportunities. Its components can also be incorporated into various review processes for new grant or policy plans. The policy recommendations give you a picture of what the philanthropic community believes is most important to uphold or enact, to support the economic well-being of vulnerable young people. We believe every one of these policy recommendations is necessary, and we hope our thinking is incorporated into your agendas and priorities.

**We must work together to
acknowledge and correct
systematic shortcomings
and persistent inequities.**



A Framework for Investing in the Economic Well-Being of America's Most Vulnerable Young People

This investment framework offers four transformative adjustments we can all prioritize to better support young people's economic well-being, especially those who face the most barriers to success.



REFLECT YOUNG
PEOPLE'S LIVES

Youth-serving systems and settings must better reflect the lived experience of young people.

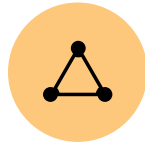
Too often, financial or programmatic support is isolated to a single system or sector. One thing is an “education” initiative while another is a “workforce development” effort. This does not reflect the lived experience of young people and the fullness of what they need to experience economic well-being. As influencers, we must do what we can to connect youth-serving systems and settings so that young people experience continuous learning, support and stability. Programs in any system or setting should be developmentally appropriate, with the resources and staff to accommodate situations where a young person’s life stage or situation gets in the way of learning or employability. Young people should not be cut off from vital services before they are ready, because of funding or policy constraints.¹¹



INNOVATE
& IMPROVE

Youth-serving systems and settings must have built-in ways to innovate and improve.

For economic well-being to be a reality for vulnerable young people, they must be prepared for today’s challenges and tomorrow’s uncertainties. Influencers should support the rapid testing and improvement of new ideas and solutions. The confluence of changing markets (including education and the workforce) with enabling technology tools makes this task more possible and urgent than ever before. Lack of innovative and improved services for our most underserved will only exacerbate current inequities and widen opportunity, skill and achievement gaps.



COLLABORATE &
COORDINATE SERVICES

Youth-serving systems and setting must collaborate with others to coordinate services and reduce silos.

Programmatic fragmentation leads to inefficiencies, which bear a heavy cost for the government, tax payers and local agencies. Community programs frequently hire staff just to handle proposal development, grant or contract compliance, monitoring and reporting. Misaligned eligibility requirements and inflexible use of funds can create unintentional service gaps or redundancies. These organizational constraints can disrupt or derail young people’s learning, working or housing. Influencers should look for ways to improve young people’s continuity of care and learning, which may include finding creative ways for dollars to follow young people.



WORK WITH
EMPLOYERS

Youth-serving systems and settings must work closely with employers to respond to talent demands and market changes.

The learner and worker experience is rapidly changing. For vulnerable young people to achieve economic well-being, they need to attend programs that prepare them for middle-skill jobs or better. Youth-serving systems and settings need the funding, flexibility and accountability that drives them to continuously reflect, adjust and re-align to changes in the marketplace. This extends to young people who are experiencing homelessness, in residential care or secure detention, as they are often trained for jobs that are outdated.

2018 Federal and State Policy Recommendations to Support the Economic Well-Being of America's Most Vulnerable Young People

→ **K-12 & ADULT EDUCATION POLICY RECOMMENDATIONS**

→ **HIGHER EDUCATION**

→ **LABOR & ECONOMIC DEVELOPMENT**

→ **JUVENILE JUSTICE**

→ **HEALTH AND HUMAN SERVICES**

→ **CROSS-AGENCY RECOMMENDATIONS**

→ **ADEQUATE FUNDING & TAX REFORM**

K-12 & ADULT EDUCATION POLICY RECOMMENDATIONS

Invest in flexible, expanded education options so all young people complete their high school diplomas or equivalent.

Federal and state statutes should support alternative, part-time and competency-based learning environments for over-age and under-credited young people. This includes quality work-based learning and apprenticeship programs, dual enrollment programs, adult basic education programs, and online programs.

Reauthorize the Carl D. Perkins Career and Technical Education Act (“Perkins”), to expand career and technical education offerings to more young people in vulnerable situations.

This should include young people attending alternative education settings, therapeutic settings, or those in custody (e.g., secure detention facilities).

Leverage the *Every Student Succeeds Act* (ESSA) to increase supports for learners in vulnerable situations, such as those experiencing homelessness, in foster care, or in the justice system.

States should encourage local districts to adopt programs that promote positive school climates, reduce bullying and violence and provide a fuller range of student supports, such as health services. These services should extend beyond mainstream schools to include alternative education settings, residential and therapeutic settings, secure detention facilities and other contract education providers. States and local school districts should use ESSA as a way to increase social emotional learning, restorative discipline practices, and culturally responsive curricular choices.

Encourage local school districts and youth-serving systems to make financial literacy a mandatory graduation requirement, ensuring it includes financial planning as well as debt and credit counseling.

This would help ensure young people transition into adulthood, college and the workplace with financial management knowledge and skills. Young people should have debt reduction counseling services available to them.

Replace zero-tolerance school discipline policies with restorative options.

Harsh disciplinary policies push many young people out of school, especially those with a history of trauma. Replacement disciplinary policies should follow more restorative and positive behavior approaches. Federal and state agencies should actively discourage disciplinary approaches that shunt students into situations and placements that prove harmful.

Establish state policies and procedures that ensure highly-mobile young people get credit for their work and maintain progress toward graduation, even when they change schools.

Too often, young people transfer schools because of a change in status or situation (e.g., a change in foster care placement), and lose academic credits, or become accountable to different graduation requirements. Many of these young people end up over-age and under-credited, often leading them to drop out.

Increase flexibility and alternatives to “seat-time” requirements associated with high school credits and graduation requirements, in favor of more competency-based requirements.

This supports all students, but especially students who are over-age and under-credited.

HIGHER EDUCATION

Establish new federal and state grant opportunities for public colleges and universities to expand student support services for underserved and underrepresented students.

The support many young people in vulnerable situations need to start, stay and succeed in college can differ from other college students. Often, competing work and life demands require case management that extends far beyond academic coaching. Historically underserved student populations are now the majority of college-going learners. Over one-third of college students are 25 or older. One in four are parents. Roughly half work while taking classes.¹² About 14 percent are homeless.¹³ Young people with criminal backgrounds who pursue postsecondary education options, should be offered a case-by-case opportunity to seal or expunge their records.

Improve or establish new reporting mandates that ensure “truth in credentialing”, making the relationship between credential providers and future employability/wages publicly available and broken out by credential type, field and provider.

This could be the continuation and improvement of the Gainful Employment Rule, or the passage of a new law, such as the 2015 H.R. 2518, *Student Right to Know Before You Go Act*.

Reauthorize the Higher Education Act, including Title IV, to make postsecondary credentialing programs more accessible and affordable for learners in vulnerable situations.

This may include increasing flexibility for need-based federal financial aid, ensuring need-based aid is not directly tied to the Carnegie Unit, continuing year-round Pell Grants, and enforcing protections against predatory lenders and providers. When young people with criminal records pursue postsecondary education options, their circumstances should be evaluated, with opportunities to lift automatic restrictions on federal financial aid.

Offer state-administered matched savings accounts and college savings plans for young people in vulnerable situations who pursue college and career pathways.

We recommend, at minimum, a two-to-one dollar match for programs serving vulnerable young people. We further recommend flexing the use of released funds to cover a range of education-related costs, including transportation and child care.

LABOR & ECONOMIC DEVELOPMENT

Use Regional Rebuilding and Reskilling America Grants to fund economically distressed regions where underserved and underrepresented young people are likely to stay, such as the “Rust Belt” or “Appalachia.”

We want to see federal assistance used to spur new economic development, entrepreneurship and jobs in these struggling communities. These grants should be expanded to require education and employment training for local residents, ages 14-25.

JUVENILE JUSTICE

Incentivize and encourage employers to “ban the box.”

Employment should be determined on an individual’s qualifications rather than past history. Questions that require prospective employees to disclose conviction or arrest history should be removed from job applications. In our nation, tens of thousands of young people, under age 18, are charged and sentenced as adults each year. This leaves many talented and capable young people who want to work unable to do so.

HEALTH AND HUMAN SERVICES

Support young people who are experiencing homelessness by increasing funding and grant awards for federal programs that provide housing and emergency services.

This includes the McKinney-Vento Homeless Assistance Programs, the Runaway and Homeless Youth Act, and the McKinney-Vento Education and Homeless Children and Youth Act. Too often there are fewer beds than young people who need them. This can lead to competition between service providers, which decreases coordination and partnership on the delivery of services.

Maintain young people’s qualifications for federal, state and local “safety net” and health care benefits that enable them to meet basic needs, continuously, up until the age of 26.

Young people cannot be expected to start, stay or succeed in school or work if their basic needs are unmet. Young people may require periodic and transitional “safety net” benefits, until economic stability is achieved. These benefits include Temporary and Needy Families (TANF), the Supplemental Nutrition Assistance Program (SNAP, formerly “food stamps”), Medicaid, Supplemental Security Income (SSI) and Child Care and Development Block Grants.

CROSS-AGENCY RECOMMENDATIONS

Invest federal funding into the most effective elements and models of full-time comprehensive education and employment programs.

Comprehensive education and employment programs offer pathways to a high school diploma or equivalent, while providing a range of counseling and job training supports. We encourage extant full-time comprehensive education and employment programs be rigorously evaluated. Quality programs should be brought to scale. Poor performing programs should be turned around, or closed. Funded programs need resources, time and technical assistance to retool their models in order to prepare young people for the future of work.

Provide federal and state funding to youth-serving systems to train staff in trauma-informed care.

Many young people experience violence and trauma, with many suffering from post-traumatic stress disorder (PTSD) and toxic stress. Trauma-informed systems and settings provide a safer space for these young people to engage, learn and work.

Continue investments in special supports and services for young people who are involved in the child welfare and justice systems, as well as young people who are homeless.

We call for continued investments—at the state and local levels—for the Workforce Innovation Opportunity Act-funded youth services, Chafee Foster Care Independence Program, the Juvenile Justice and Delinquency Prevention Act, McKinney-Vento, the Runaway and Homeless Youth Act, and the Temporary Assistance for Needy Families (TANF) program. We also call for the continuation and expansion of the Performance Partnership Pilots (P3), which streamlines funding and reporting requirements in exchange for stronger performance. With this continued investment, we expect better accountability and action to ensure young people receive their full benefits and services.

Repeal or reject laws that discriminate against a young person because of race, ethnicity, gender identity, or sexual orientation in school or work.

Perceived or overt discrimination based on who someone is can push young people out of school, work or their homes, and lead to self-destructive behaviors.

Reinstate protections for young people covered under the DREAM Act (“DREAMers”).

We believe DREAMers deserve the opportunity to continue their education and contribute to our economy. DACA should be reinstated or replaced with the Clean Dream Act, so that these young people are protected and able to pursue their educations and enter the workforce.

ADEQUATE FUNDING & TAX REFORM

Establish tax credits for employers that support work-based learning opportunities—especially internships and apprenticeships—for young people in vulnerable situations, ages 14-25.

These tax credits should provide additional financial incentives to companies that provide training in high-growth and high-demand fields, especially to those that are small and mid-sized, and to those offering longer-term hiring.

Establish a child care tax credit, that gets paid directly to quality early childhood providers.

Young parents need quality options for their children while they go to school or work. A lack of quality, reliable childcare is a major obstacle for young parents who want to pursue better education and employment opportunities. A higher tax credit should be available to child care providers who offer flexible options, including part-time, as-needed and after-hours care/services.

Preserve or generate funding opportunities to guarantee adequate funding for the types of services and supports that can keep young people from ending up in vulnerable situations.

More evidence is needed around what programs, policies and practices keep young people out of vulnerable situations, or reduce the duration or disruption. Funding is needed to fuel and encourage research and experimentation on the promising and innovative ideas that mitigate or manage vulnerability.

Endnotes

- 1 According to the National Network for Youth (NN4Y). Data accessed online: <https://www.nn4youth.org/learn/how-many-homeless/>
- 2 According to the Office of Juvenile Justice and Delinquency Prevention (OJJDP). Data accessed online: <https://www.ojjdp.gov/ojstatbb/crime/qa05101.asp?qaDate=2015>
- 3 Previously, disconnected youth.
- 4 These movements are led by collective action groups such as *Opportunity Youth Network, Campaign for Youth, 100k Opportunities Initiative, Opportunity Youth United and the National Alliance for Boys and Men of Color.*
- 5 Gerwin, C. (2017). *Making Opportunities Work for Youth: Expanding Proven Pathways to College and Careers.* Boston, MA: Jobs for the Future. Available from: <http://www.jff.org/sites/default/files/publications/materials/Opportunity-Works-051817.pdf>
- 6 Bridgeland, J., Ingram, E.S., Atwell, M., et. al. (2016). *A Bridge to Reconnection: A Plan for Reconnecting One Million Opportunity Youth Each Year Through Federal Funding Streams.* Washington, D.C.: Civic Enterprises in collaboration with the Forum for Youth Investment, Jobs for the Future and YouthBuild USA. Available from: <http://aspencommunitysolutions.org/wp-content/uploads/2017/06/BridgetoReconnection.2016.pdf>
- 7 Opportunity youth is defined as *young people ages 16-24 who are not in school or working.*
- 8 Includes lost earnings, health expenses, crime costs, and welfare and social service costs.
- 9 Fiscal estimates come from Belfield, Clive; Levin, Henry M.; and Rosen, R (2012). *The Economic Value of Opportunity Youth* and are cited in, Bridgeland, J., Ingram, E.S., Atwell, M., et. al. (2016). *A Bridge to Reconnection: A Plan for Reconnecting One Million Opportunity Youth Each Year Through Federal Funding Streams.* Washington, D.C.: Civic Enterprises in collaboration with the Forum for Youth Investment, Jobs for the Future and YouthBuild USA. Washington, DC: Civic Enterprises. Available from: <http://aspencommunitysolutions.org/wp-content/uploads/2017/06/BridgetoReconnection.2016.pdf>
- 10 Of which, many of us participate.
- 11 Krauss, S., Pittman, K., & Johnson, C. (2016). *Ready by Design: the Science and Art of Youth Readiness.* Available from: <http://sparkaction.org/sites/sparkaction.org/files/readybydesign.pdf>
- 12 Merisotis, J. (2017, July 14). *Not who you think: the truth about today's college students.* Washington Post. Retrieved from: https://www.washingtonpost.com/news/grade-point/wp/2017/07/14/not-who-you-think-the-truth-about-todays-college-students/?utm_term=.89e681d304e7
- 13 Goldrick-Rab, S., Richardson, J., Hernandez, A. (2017, March) *Hungry and Homeless in College: Results from a National Study of Basic Needs Insecurity in Higher Education.* Wisconsin HOPE Lab. Retrieved from: <http://wihopelab.com/publications/hungry-and-homeless-in-college-report.pdf>

Sources

The **Investment Framework** and 2018 policy recommendations are strongly aligned with previous YTFG publications, and many are adopted from close national collaboratives and partners. This policy statement benefited from the following sources:

Convenings

Youth Transition Funders Group conversation on *Education and Employment Policies and Practices Necessary for Youth Well-Being*, held March 17, 2015

Youth Transition Funders Group *Economic Well-Being Summit*, held March 1, 2017

Publications

Bridgeland, J., Ingram, E.S., Atwell, M., et. al. (2016). *A Bridge to Reconnection: A Plan for Reconnecting One Million Opportunity Youth Each Year Through Federal Funding Streams*. Washington, D.C.: Civic Enterprises in collaboration with the Forum for Youth Investment, Jobs for the Future and YouthBuild USA. Available from: <http://aspencommunitysolutions.org/wp-content/uploads/2017/06/BridgetoReconnection.2016.pdf>

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THE YOUTH TRANSITION FUNDERS GROUP

The Youth Transition Funders Group (YTFG) is a national network of funders that work together to support the well-being and economic success of vulnerable young people age 14 to 25. We seek to ensure that all young people have lifelong family, personal, and community connections and the opportunities and tools to succeed throughout adulthood.

THE ECONOMIC WELL-BEING WORK GROUP

The Economic Well-Being Work Group of the Youth Transition Funders Group is made up of national, regional and local foundations committed to the economic advancement of our nation's young people, ages 14 to 25, especially those who are the most vulnerable. We believe all young people—no matter who they are, where they live, or what adversity they face—deserve the opportunity to lead productive lives, experience economic well-being and enhance their contributions to their communities.