



PATH TO EMPLOYMENT:

MAXIMIZING THE IMPACT OF
ALTERNATIVE PATHWAYS PROGRAMS

PART 1: ESTABLISHING EFFECTIVE PROGRAM PILLARS



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We would like to express our gratitude to The James Irvine Foundation for its support of our research and for its part in making this report possible. We are honored to be partners in its mission to improve the education, economic opportunity, and social well-being of our society.

INTRODUCTION

In the latter half of 2016, Tyton Partners conducted national research on behalf of The James Irvine Foundation regarding innovative education-to-employment opportunities for low-income adults. The goal of this initiative was to better understand the emerging ecosystem of Alternative Pathways Programs, which are generally non-accredited, employment-oriented education and training initiatives that promise a pathway into the workforce for opportunity youth and adults. In particular, we sought to explore how these models could support low-income adults and other underserved populations to enhance their readiness and access to sustainable employment opportunities and longer-term career pathways.

For the purposes of this initiative, “low-income adults” are defined as those earning less than 200% of the Federal Poverty Line, may be unemployed or if employed face limited opportunities for career advancement, and have no or limited exposure to postsecondary education activities. A variety of factors impact the employment opportunities for these adults including a lack of applicable skills, limited professional networks and social capital to access jobs, and minimal knowledge or awareness of job-search tools and potential career paths, among others.

In Path To Employment, we explore how an expanding segment of non-traditional programs are both helping low-income adults improve their skills and connecting them to meaningful entry-level jobs and new career pathways.

The first publication in this series introduces and defines Alternative Pathways Programs and their appeal as a catalyst for augmenting California’s existing infrastructure of institutions and programs serving low-income adults with education-to-employment pathways. We identify six Program Pillars that represent critical design considerations for providers seeking to achieve outcomes with low-income adult participants.

The second publication will take a closer look at how a dynamic cohort of Alternative Pathway program organizations, located in California and beyond, are driving success for participants through well-designed enrollment, support, and workforce alignment models, among other Program Pillars. Across the publications, we highlight important implications and opportunities for California stakeholders supporting low-income adult populations, including policymakers, employers, funders, and traditional providers such as community colleges and social services agencies, and share a broad list of innovative providers in the space.

EXECUTIVE SUMMARY

Low levels of educational attainment impact low-income adults by limiting career mobility and wage-earning potential. Moreover, for those enrolling in traditional education and training programs – community colleges, apprenticeships, and workforce development programs – completion rates have historically been low for a variety of academic and non-academic factors. In a state the size of California, this results in millions of adults blocked from accessing employment options with the potential to change their economic prospects in a meaningful way.

In response to a number of factors, a growing collection of companies and organizations are launching programs tightly aligned with individuals’ desire to secure robust employment opportunities and employers’ needs to identify and recruit scarce and/or specialized talent; we refer to these initiatives as “Alternative Pathways Programs.”

While drawing on elements of more traditional education-to-employment programs, Alternative Pathways Programs (APPs) explicitly prepare participants for validated, in-demand workforce opportunities. These programs often provide a host of wrap-around services and support that generally far exceeds what is what found in traditional channels, with high-levels of customization and post-“graduation” engagement for participants. Alternative Pathways Programs represent an exciting potential solution to the employment barriers faced by low-income adults; they are scaffolding education and training offerings and driving successful outcomes both in terms of program completion and job placement in a time- and cost-efficient manner.

To best serve low-income adults effectively, we have identified six “program pillars” that APPs need to optimize. The six pillars reflect:

- *Enrollment Policies*
- *Participant Support*
- *Labor Market Alignment*
- *Connections*
- *Training Mix*
- *Financial Model*

A range of models exist within pillar, and we have identified an optimal one in each area for those providers – both for-profit and non-profit – targeting (or seeking to serve) low-income adults. By focusing on the six identified pillars, companies and organizations can build strong(er) models that have a greater ability to deliver outcomes and drive scaled participation. This may include enhancing

or building “pillars” at existing Alternative Pathways Programs; helping organizations re-orient programs toward low-income adult populations; and/or establishing completely new programs.

Replicating these efforts can achieve important goals for both individuals and society. The first is to dramatically enhance the employment prospects and mobility of low-income adults within a state or region. The second is to expand the number of low-income adults who are able to access effective education and training aligned to a state’s workforce needs and employer priorities. In both scenarios, all the stakeholders win.

DEFINING THE CHALLENGE

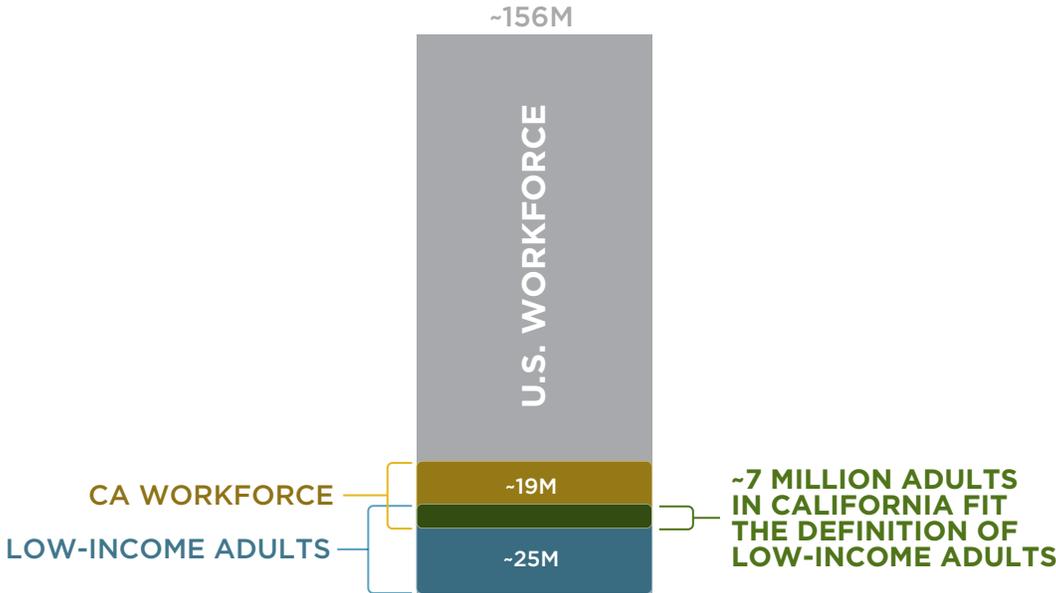
Failure to engage and support low-income adults has detrimental effects on communities for generations. These individuals are often trapped for life; 43% of Americans who are born into the bottom income quintile remain there through their adult lives.¹ Nationally, the federal government and states spend nearly \$1 trillion annually on various benefit programs supporting those who live below the federal poverty level.² Adults with only a high school diploma earn thousands less annually than those with higher levels of education and are 50% more likely to live in poverty than those with some college or a two-year degree.³ Effective education-to-employment pathways can enable dramatic changes in life trajectory for these individuals and their families.

This paper aims to highlight a path for improving the economic and employment opportunities and outcomes for low-income adults, which we define for the purposes of this paper as having the following attributes:

- May or may not be employed
- Earn less than 200% of the federal poverty level
- 18 years of age or older
- Have limited or no exposure to postsecondary education

In the United States, we estimate that there are 25 million **working**, low-income adults, and of those, approximately 7 million are located in California.⁴

FIGURE 1: LOW-INCOME ADULTS IN WORKFORCE (U.S. AND CALIFORNIA)



1. The Pew Charitable Trusts, "Pursuing the American Dream: Economic Mobility Across Generations," July 2012, http://www.pewtrusts.org/-/media/legacy/uploadedfiles/pcs_assets/2012/pursuingamericandreampdf.pdf.
2. National Center for Policy Analysis, "The War on Poverty Has Cost \$22 Trillion," January 2015, http://www.ncpa.org/sub/dpd/index.php?Article_ID=25288.
3. Pew Research Center, "The Rising Cost of Not Going to College," February 2014, <http://www.pewsocialtrends.org/2014/02/11/the-rising-cost-of-not-going-to-college>.
4. Bureau of Labor Statistics, "Employment, Hours, and Earnings – State and Metro Area," 2015.

Within California, this population accounts for nearly 37% of the state's entire workforce of 18.6 million people.⁵ Geographically, there is a particularly high proportion of working, low-income adults in the San Joaquin Valley.

These adults, while technically engaged in the workforce, are often trapped in low-wage jobs that make meeting basic financial obligations a constant struggle. Moreover, because low-income adults often have limited levels of educational attainment and weak social networks for professional opportunities, they lack access to more robust employment pathways. As Alex Pfeifer-Rosenblum from Rubicon Programs, a provider of support services to low-income residents of California's East Bay, notes, "These adults are often stalled in their economic ascent by the social stereotypes around poverty. They think that they'll always be poor and it's too difficult to get out of."

LAGGING EDUCATIONAL ATTAINMENT FOR LOW-INCOME ADULTS

Low-income adults are often forced to settle for low-skill jobs that offer limited salary potential and poor promotional opportunities; their lack of education is a key issue impeding employment advancement. On one hand, job opportunities for adults with just a high school degree are shrinking.⁶ On the other, employers are emphasizing postsecondary degree attainment or prior training as prerequisites for candidates, in some cases selecting individuals with college or professional degrees even for entry-level positions. In 1973, just 28% of jobs required individuals to possess some postsecondary education. By 2010, that figure was 59%, and it is expected to increase to 65% by 2020.⁷

Increased employer demand for employees with some additional education and training beyond high school has promoted an expansion in program options beyond traditional postsecondary degree offerings. These alternative program models are often both shorter in duration than degree-granting programs and more tightly aligned to the rapidly evolving needs of employers. One such option is certificate programs, which are "affordable, usually take less than a year to complete, and often yield high returns in the job market"; these represent the fastest-growing postsecondary credential, increasing from 6% of postsecondary awards in 1980 to 22% in 2012.⁸

Additionally, apprenticeship programs have received renewed attention as an effective employment-oriented pathway. Nationally, the number of apprentices earning income while gaining skills toward a specific occupation grew 6% annually from 2011 to 2015. In California, data indicates that adults completing hands-on, skills-heavy apprenticeship programs will earn approximately \$300,000 more in their lifetime than their non-apprenticeship-completing counterparts. Importantly, evidence and experience suggest that these programs do not have to be complicated in their design and execution to deliver these outcomes.

5. Bureau of Labor Statistics, "Employment, Hours, and Earnings – State and Metro Area," 2015.

6. Alexia Elejalde-Ruiz, "No College Degree? That's a Growing Hurdle to Getting Hired," Chicago Tribune, March 2016, <http://www.chicagotribune.com/business/ct-employers-raise-education-requirements-0320-biz-20160318-story.html>

7. Anthony P. Carnevale, Nicole Smith, and Jeff Strohl, "Recovery: Job Growth and Education Requirements Through 2020," Georgetown Center on Education and the Workforce, June 2013, <https://cew.georgetown.edu/cew-reports/recovery-job-growth-and-education-requirements-through-2020>.

8. Anthony P. Carnevale, Stephen J. Rose, and Andrew R. Hanson, "Certificates: Gateway to Gainful Employment and College Degrees," Georgetown Center on Education and the Workforce, June 2012, <https://cew.georgetown.edu/cew-reports/certificates>.

Notwithstanding these models, by 2020 the United States is projected to experience a shortage of 5 million workers with technical certificates and credentials.⁹ Moreover, most of these models are not focused on engaging the millions of low-income adults who, with the right scaffolding and support, could help fill these gaps and secure a stronger economic and employment trajectory.

TRADITIONAL APPROACHES FOR TRAINING LOW-INCOME ADULTS

Striving to enhance employment opportunities for low-income adults by providing education and career training programs is certainly not a new policy initiative. Traditionally, educational and employment-oriented opportunities targeting these adults fall into four categories – community and technical colleges, workforce development programs, apprenticeship programs, and other support programs – with differing value propositions and reach, as noted in Figure 2.

[SEE FIGURE ON NEXT PAGE]

9. Ben Olinsky and Sarah Ayres Steinberg, “Training for Success: A Policy to Expand Apprenticeships in the United States,” Center for American Progress, December 2013, <https://www.americanprogress.org/issues/economy/reports/2013/12/02/79991/training-for-success-a-policy-to-expand-apprenticeships-in-the-united-states>.

FIGURE 2: EDUCATION AND TRAINING PROGRAMS SERVING LOW-INCOME ADULTS

EDUCATION DELIVERY CHANNEL	DEFINITION	FUNDING SCALE	EST. ANNUAL CALIFORNIA ENROLLEES
<p>Community and Technical Colleges</p>	<ul style="list-style-type: none"> • State-level, traditional, accredited, 2-year institutions that offer certificates, associate degrees, or specialized training • Institutions spend on CTE, career readiness, student support, and guidance services to low-income students 	<ul style="list-style-type: none"> • In CA, approximately \$1.3B in public funds is spent on guidance and support at community colleges 	<ul style="list-style-type: none"> • 2.1M students
<p>Workforce Development Programs</p>	<ul style="list-style-type: none"> • Federal- and state-funded programs that underwrite the costs of worker training and education in order to support local workforce development • Programs are publicly managed and focus on adults only • Includes relevant funding from programs aimed at the working poor, like WIOA and CSBG 	<ul style="list-style-type: none"> • The state of CA spends \$1.7B on job training and workforce development programs 	<ul style="list-style-type: none"> • -58,000 workers
<p>Apprenticeship Programs</p>	<ul style="list-style-type: none"> • Apprenticeship programs that are 1-6 years in length and are administered by local businesses • Generally publicly funded and train workers for specific vocations, such as ironworking or bricklaying • Excludes any secondary- school CTE/ apprenticeship funding 	<ul style="list-style-type: none"> • Local, State, and federal funds support these programs • ~\$213M annually 	<ul style="list-style-type: none"> • -62,000 apprentices
<p>Other Support Programs</p>	<ul style="list-style-type: none"> • Publicly or privately funded programs that do not offer complete education or training but provide supports like food and housing that enable individuals to take advantage of educational opportunities • Includes spending on activities, resources, and services that are focused on supporting the working poor through their education and employment 	<ul style="list-style-type: none"> • Privately and publicly funded by donors • ~\$1.5B annually 	<ul style="list-style-type: none"> • Unknown

Within California, we estimate funding of programs supporting low-income adults at nearly \$5 billion annually; this figure includes programs that provide education, training, and career advising, as well as selected family assistance services.¹⁰ Nearly \$2 billion is spent annually through channels such as the Workforce Innovation and Opportunity Act (WIOA), Community Services Block Grant (CSBG), apprenticeship programs, and other educational opportunities.¹¹ In addition, community-based organizations spend more than \$1.5 billion annually on workforce development and employment initiatives,¹² and community colleges spend an estimated \$1.3 billion on job readiness and career and technical education (CTE) programs, career services, and other resources that can help participants procure quality employment opportunities.¹³ Combined, these three channels represent roughly 2.5% of the state’s entire annual budget.

FIGURE 3: CALIFORNIA EXPENDITURES ON PROGRAMS POTENTIALLY FOR LOW-INCOME ADULTS



Ultimately, sizable, reliable funding streams and myriad organizations dedicated to improving opportunities for low-income adults are necessary but not sufficient. Equally important are programs that have scale and reach into the target demographic, support participants through to completion, and are aligned to viable, durable employment pathways.

THE REALITIES OF TODAY’S SCALE

Collectively, publicly and privately funded employment pathways programs that serve California adults have the potential to reach less than 1% of the state’s working population and only 1.7% of California’s low-income adults. Figure 4 highlights the annual reach of community colleges, workforce development programs, and apprenticeship programs, relative to the population of low-income adults in the state of California.

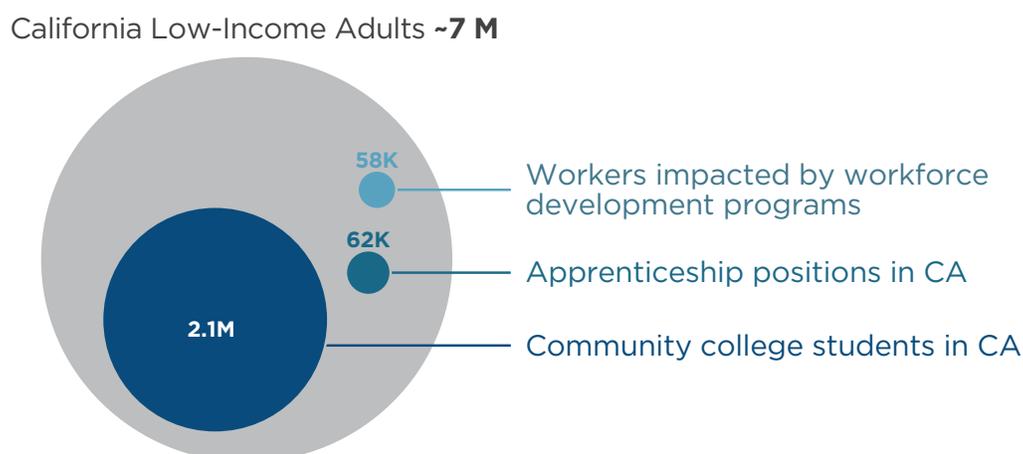
10. California State Budget 2015-2016, June 2015, <http://www.dof.ca.gov>.

11. United States Federal Budget 2015-2016.

12. National Center for Charitable Statistics, <http://nccs.urban.org>.

13. California State Budget 2015-2016, June 2015, <http://www.dof.ca.gov>.

FIGURE 4: CALIFORNIA LOW-INCOME ADULTS SERVED BY TRADITIONAL EDUCATION AND TRAINING PROGRAMS



Together, workforce development and apprenticeship programs in California reach approximately 120,000 workers annually, and there are just over 2 million students enrolled in California's community college system, many of whom do not fit our definition of low-income adults. Thus, even if all the spots within these programs were allocated to low-income adults seeking to enhance their employment prospects, current capacity would support less than a third of the potential annual demand. Expanding the number of successful models that can support education-to-employment pathways for adults is imperative, both from within the current ecosystem of institutions and workforce programs and through new, innovative program models.

THE COMPLETION RATE GAP

Ensuring completion of postsecondary programs is a challenge for most institutions and particularly so for community colleges, which generally struggle with low retention and graduation rates. For a variety of reasons, less than 30% of students who embark on a terminal degree pathway at a community college finish, often leaving school with debt but no degree.¹⁴ Moreover, community college students who incur debt but do not graduate are four times more likely to default on their student debt than those who earn a degree.¹⁵

Publicly funded workforce programs, such as apprenticeship programs, also struggle with low completion rates. In California, out of 45 apprenticeship committees focused on programs in different industries, just 12 report completion rates of higher than 70%, leaving thousands of participants insufficiently prepared to capitalize on programs' objectives.¹⁶ When considering the general lack of academic readiness – and the broader life challenges – often faced by low-income adults, the burden to facilitate program completion can be significant. The time and cost required to holistically support this population needs considerably more attention than it often receives when programs are conceived, designed, and delivered.

14. Public Agenda, "With Their Whole Lives Ahead of Them: Myths and Realities About Why So Many Students Fail to Finish College," August 2011, <https://www.publicagenda.org/files/theirwholivesaheadofthem.pdf>.

15. Paul Fain, "Small Loans, Big Problem," Inside Higher Ed, September 2015, <https://www.insidehighered.com/news/2015/09/28/four-surprising-findings-debt-and-default-among-community-college-students>.

16. California Division of Apprenticeship Standards, "Completion Rates for Apprenticeship Committees", July 2016, <http://www.dir.ca.gov/DAS/reports/Comp5yrAverage.pdf>.

PREPARING FOR EMPLOYMENT AND LIFE SUCCESS

Education-to-employment programs must deliver on preparing participants for relevant, in-demand roles and opportunities. This requires effective partnerships with industries and employers to understand and design key skill development curricula that not only provide access to current workforce tools and technologies but also develop participants' soft skills (e.g., teamwork and collaboration, effective communication, punctuality and time management). Moreover, programs should prepare participants for a lifetime of employment opportunities and challenges, not just the next role. While this is simply stated, balancing these various dynamics can be challenging for companies and organizations delivering education and training programs.

Numerous research studies have demonstrated the power of a postsecondary degree to facilitate economic mobility and enable higher lifetime earning potential. Yet traditional postsecondary pathways may not be the best initial fit for low-income adults; it is incumbent on the field to develop and evaluate alternative education-to-employment options that can enhance, expand, and accelerate workforce opportunities. In the following sections, we highlight the promise of Alternative Pathways Programs to accelerate the employment trajectory of low-income adults through education programs that are more closely aligned to in-demand jobs.

ALTERNATIVE PATHWAYS PROGRAMS: DEFINITION AND CURRENT STATE

One approach for addressing broad-based workforce employment gaps – and, more specifically, education-to-employment pathways – for low-income adults may reside within an emerging ecosystem of programs that lie outside the traditional community and technical college, workforce development, and apprenticeship arenas. An Alternative Pathways Program (APP) is defined as one that:

- Focuses on education and training for specific job and career pathways
- Maintains close alignment with employers and industries to facilitate job placement for participants completing the program
- Does not offer a traditional postsecondary degree or certificate

Most APPs focus on recruiting and serving participants directly, similar to colleges and universities, but they vary widely in their training model and program length, among other attributes. Some program models connect participants directly with employment opportunities. For example, the high-profile technology, design, and data “boot camps” offer a career-fair job connections model and last less than 12 weeks on average,¹⁷ while experiential learning programs such as apprenticeship programs prepare participants over a longer period (most are 6–12 months long) for a specific career path. Other programs do not connect participants with jobs, but they still offer training for a specific career pathway and offer a certification or credential upon completion. Another set of programs focuses on general education as a baseline for specific career pathways, including programs or courses that help participants gain postsecondary credentials or learn general skills.

With the potential for greater alignment to workforce needs, a shorter duration, and a higher return on investment for program participants, APPs hold great promise for improving employment outcomes and career trajectory for participants, including, potentially, low-income adults. However, for these programs to meaningfully impact the employment trajectory of low-income adults, program design considerations that effectively address the needs and dynamics of this population must be prioritized.

CHALLENGES FOR ALTERNATIVE PATHWAYS PROGRAMS

Several challenges exist in serving low-income adults, including limited availability of financial resources for program fees, lack of basic skills and academic preparedness, and the potential need for non-academic support services. However, many Alternative Pathways Programs are not set up to address these and other challenges. For example, coding boot camps, one of the most developed and high-profile segments of this emerging landscape, generally require tuition rates and baseline skill levels that far exceed those possessed by low-income adults. As the founder and CEO of a leading boot camp notes, “The innovators are great at training college-educated individuals and getting them jobs, but we are all still figuring out how to best leverage our programs to serve individuals who face barriers and help get them on track to higher skill jobs.”

17. Liz Eggleston, “2015 Bootcamp Market Size Study,” Course Report, June 2015, <https://www.coursereport.com/reports/2015-coding-bootcamp-market-size-study>.

Nevertheless, many of these innovative programs serving primarily college-educated adults are demonstrating strong alignment to workforce needs that bear further investigation. In conjunction with the increasing number of non-profit APPs serving low-income adults, effective program design characteristics are emerging for stakeholders seeking to expand opportunities for this community.

As noted above, the established system of California community colleges and workforce development programs does not have sufficient scale to serve even 25% of the state's low-income adult population. In the near term, APPs also lack the capacity in California – and nationally – to impact sizable numbers of adults.

However, while serving a limited population to date, many APPs are achieving impressive outcomes. Adult education stakeholders would benefit from examining these innovative models to understand how these programs are achieving strong completion and job placement rates and to determine ways the field can help these programs expand their reach. In particular, some APPs are developing strategies to balance support and scale for low-income adults. In the following sections, we highlight several of these programs, with a particular emphasis on a series of design “pillars” critical for both program efficacy and scale. APPs have the potential to catalyze innovative education-to-employment models across the ecosystem of providers and to change the economic and employment trajectory of many more low-income adults.

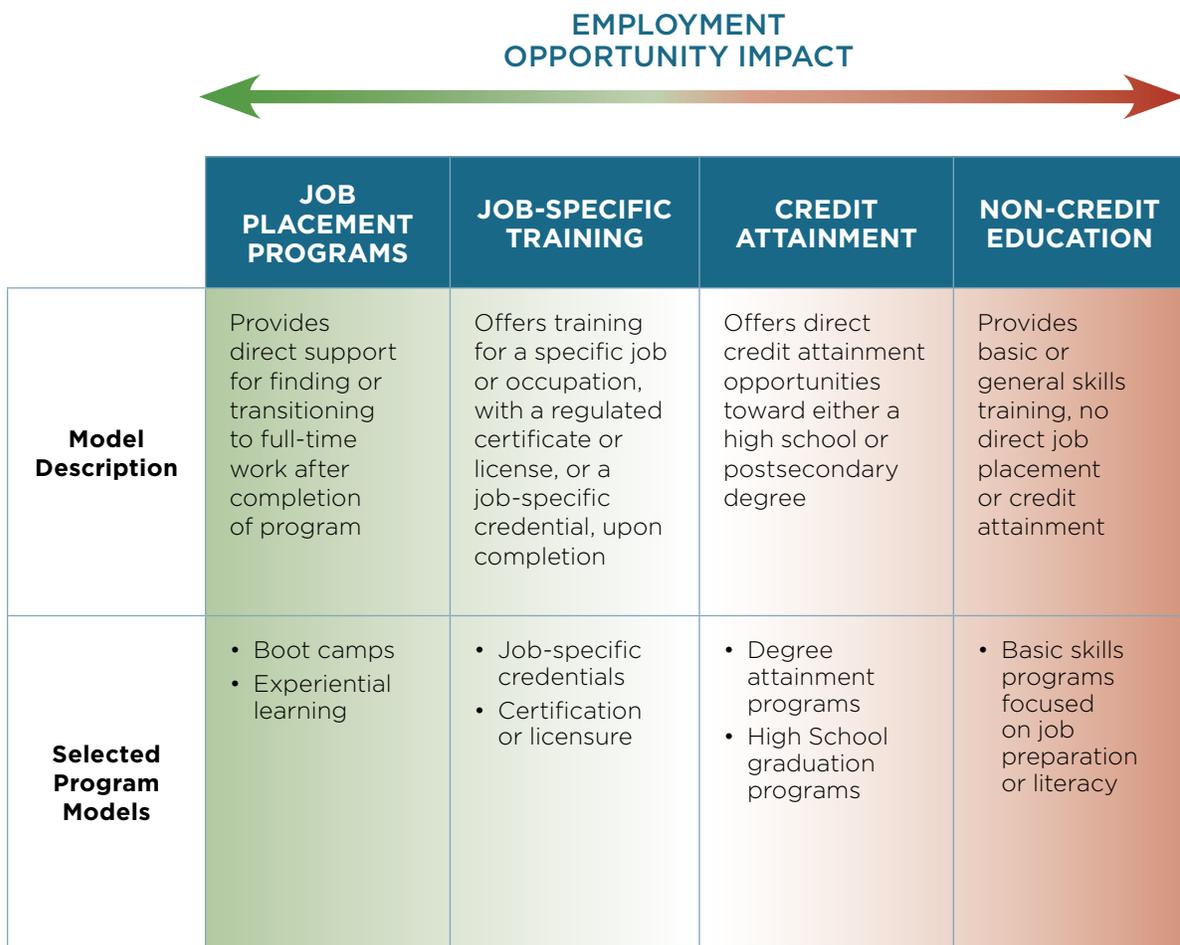
PRIORITIZING ALTERNATIVE PATHWAYS PROGRAMS FOR LOW-INCOME ADULTS

The education-to-employment orientation of Alternative Pathways Programs, if well designed, presents a compelling model for accelerating workforce opportunities for low-income adults. To that end, Tyton Partners reviewed and analyzed more than 125 companies and organizations to assess:

- The types of programs can have the greatest impact for low-income adults
- The important program design principles are for serving this population

Within the context of this analysis, educational programs that enhance employment opportunities within a relatively short time frame are viewed as highly attractive. An apprenticeship program, for instance, whose outcome is a direct connection to a specific job opportunity, will likely have a greater near-term impact on an individual's career trajectory than a related series of online courses that may build an individual's knowledge and skills but is not closely connected to a job-specific credential. With this in mind, a continuum emerges – across all types of programs, not just APPs – describing how likely a participant is to directly obtain employment as a result of a program. This likelihood – a measure of the program's impact on employment opportunities – and the spectrum defining the range of possible options is highlighted in Figure 5.

FIGURE 5: EMPLOYMENT OPPORTUNITY IMPACT FRAMEWORK



Programs that develop participants’ durable skills and competencies, and that therefore give participants the best chances of obtaining employment in roles that offer potential for growth and promotion, should be prioritized by stakeholders seeking to address the employment challenges facing low-income adults.

Note that this prioritization is not intended to devalue attainment of a postsecondary credential. As discussed earlier, the increasing percentage of jobs requiring at least some postsecondary education demonstrates that postsecondary education is becoming a greater necessity for employment. For this reason, credit attainment programs that offer pathways for participants to earn credit toward a terminal degree or certificate, yet are not necessarily geared toward a specific job, are included within the scope of our analysis, and employment-oriented programs that provide scaffolding and transferability to traditional academic credit models are particularly compelling.

A program’s applicability to industries within its geographic region is also critical. When evaluating APPs within the context of a specific region, an ideal program would focus on industries – and in-demand roles – aligned to its location.

FIGURE 6: TARGET INDUSTRY ALIGNMENT FRAMEWORK

TARGET INDUSTRY ALIGNMENT

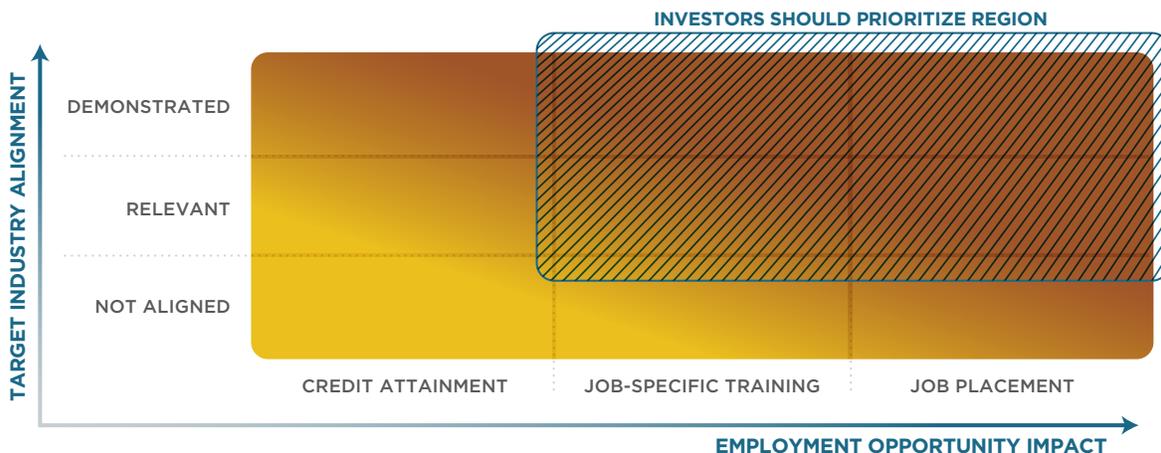
	DEMONSTRATED	RELEVANT	NOT ALIGNED
Industry Description	Offers training specifically for industries that are prominent in the local region	Provides career-specific learning, although it may not be useful for popular industries in the local economy	Provides basic or general knowledge or knowledge that is not career specific
Illustrative Knowledge	<ul style="list-style-type: none"> • Healthcare • Computing/Coding • Business • Construction 	<ul style="list-style-type: none"> • Food preparation • Banking • Manufacturing 	<ul style="list-style-type: none"> • General education courses • Remedial learning

As such, one might expect to find APPs that have been established purposefully to meet workforce needs within a community; at the same time, communities seeking to augment their existing education-to-employment options may seek to recruit or encourage companies and organizations to establish an existing program in a new location.

An additional approach may be to determine if an APP’s model can be reconfigured to prepare participants for different roles or industries. For example, the initial software coding and web design programs populating many of the technology boot camps have evolved to incorporate other roles and disciplines, including data science, cybersecurity, digital marketing, and inside sales roles. While generally still technology intensive, some of these newer areas present different – and in some cases, more accessible – entry points for potential candidates and may better fit the workforce needs of specific communities.

The combination of these two program attributes – impact on employment opportunities, and industry alignment – results in a framework for helping prospective investors and stakeholders review a universe of APP providers and their fit for the needs of low-income adults and the communities in which they reside.

FIGURE 7: ALTERNATIVE PATHWAYS PROGRAM FRAMEWORK



ALTERNATIVE PATHWAYS PROGRAM PILLARS: DESIGNING FOR OPTIMAL OUTCOMES

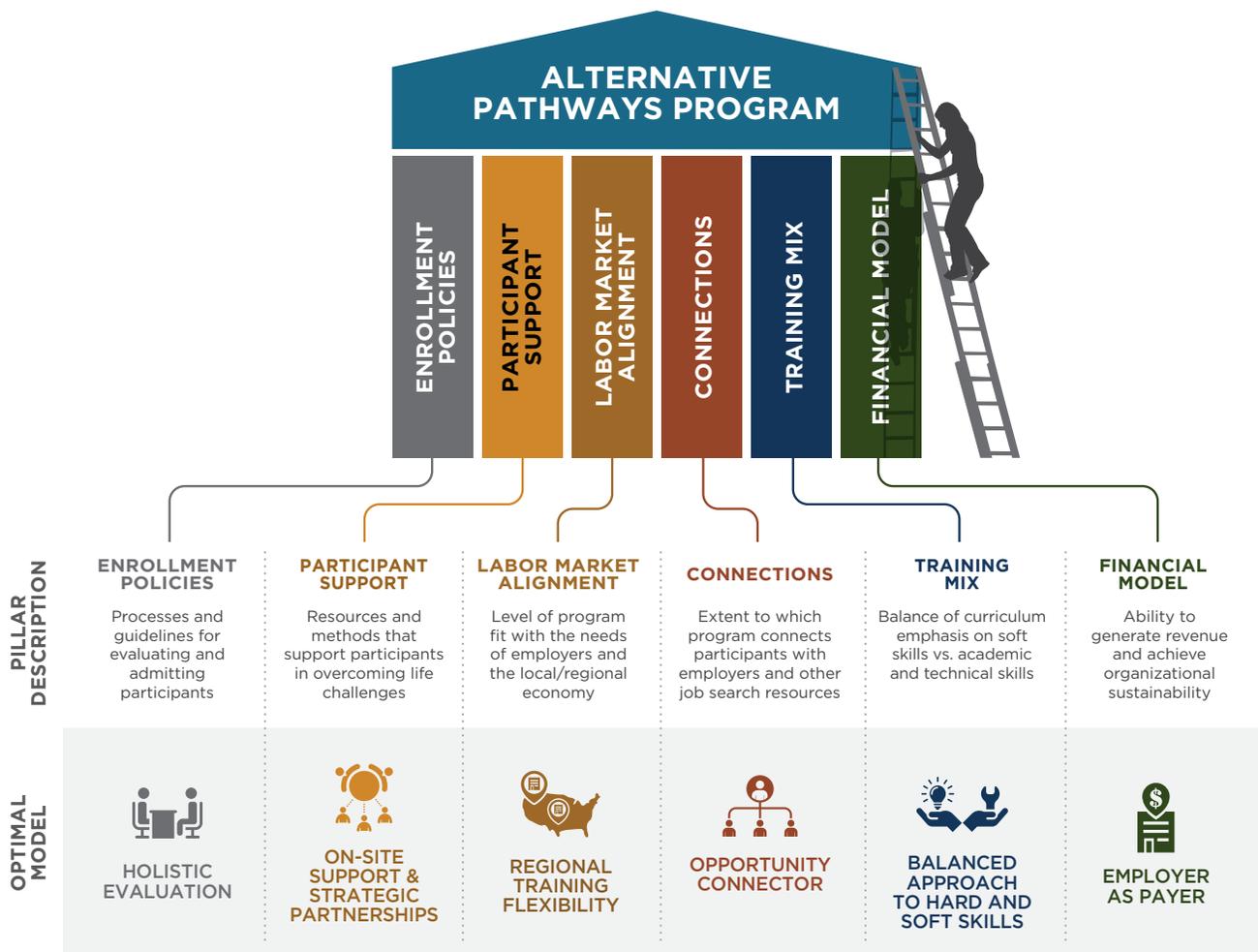
The Alternative Pathways Program framework establishes a way to classify and, if desired, prioritize existing or new APPs targeted at low-income adults within a particular region. It does not, however, describe the program and business model attributes that will optimize the likelihood of success for these participants. Leading APPs effectively serving low-income adults strive to design the entirety of their program with this student in mind, from recruitment to training to the job search process.

This approach requires thoughtful attention to several program components. We have identified six critical areas – termed Program Pillars – that, when well designed, meet the needs of low-income adults. These Program Pillars are:

- Enrollment Policies
- Participant Support
- Labor Market Alignment
- Connections to Job Opportunities
- Training Mix
- Financial Model

Each Pillar can be implemented in numerous ways, and our analysis identifies one approach that may be deemed “optimal” for the purposes of driving participant outcomes. In this case, “outcomes” for APPs serving low-income adults refers to the likelihood that program participants secure an improved and sustainable career pathway relative to their current employment situation; therefore, the job placement rate in living-wage roles is a key target metric for programs, in addition to more general program retention and completion metrics. Figure 8 highlights the optimal model for each Pillar, which necessarily exists along a spectrum of options that APPs may elect to implement.

FIGURE 8: SIX PILLARS OF ALTERNATIVE PATHWAYS PROGRAM DESIGN



These Pillars are deemed most appropriate for APPs serving low-income adults, but they can benefit programs serving other population segments as well. Moreover, an APP can have success with enrolled low-income adults even if it is not pursuing the optimal state for each Pillar. As such, these Pillars represent aspirational design and development targets for companies and organizations with existing programs, as well as for entrepreneurs, investors, and foundations striving to strengthen the program options available to adults.

We have also reviewed the Program Pillars relative to their ability to enable scaling of the program. “Scale” is defined as the enrollment capacity of the program, both on a per-site basis and a regional basis. The number of participants served at each site, as well as the total number of program sites in a region, or nationally, are both compelling measures of scale. While several optimal Program Pillars have a positive impact on both outcomes and scale, some may put these two goals at odds.

**FIGURE 9: ALTERNATIVE PATHWAYS PROGRAM PILLARS:
CORRELATION TO SCALE**

PILLAR	CORRELATION TO SCALE	RATIONALE
Connections to Job Opportunities		Broad network of employer partners needed for opportunity connector model can accelerate scale via increased placements and visibility
Financial Model		Employer-as-Payer and other viable financial models offer a sustainable revenue source to fuel organizational expansion, and provides proof of concept via partners' willingness to pay for services
Labor Market Alignment		Working directly with employers and delivering educational programs that meet local employment needs can facilitate scaling to new locations and allows program participants to access a broader segment of jobs
Training Mix		As part of a cohesive program, increasing access to or availability of soft skills training generally will not influence a program's ability to increase the number of participants served
Enrollment Policies		The Holistic Evaluation model requires interviews or review of more detailed applications and is more time and resource intensive than other methods
Participant Support		Optimal support requires on-site support staff at each site, making scaling the number of sites more challenging

For example, the optimal Participant Support Pillar generally requires a level of investment in social services that makes scale more challenging. This dynamic should not influence APPs serving low-income adults to underweight this Pillar, but rather to fully understand the program cost and resource requirements in this area. Ideally, program leaders and their supporters should explore strategies for mitigating the challenges to scale within these Program Pillars while ensuring that participants are best prepared for employment opportunities.

APP providers may not be able to design programs that achieve the optimal model for each Pillar. Companies and organizations managing programs, and those stakeholders seeking to incentivize the expansion or modification of existing programs to support low-income adults, will need to make decisions that fit local context and operating realities.

In the following sections, we highlight each Program Pillar and illustrate the spectrum of choices that APPs may make. We also introduce selected insights and program details drawn from the more than 20 representative APP organizational executives with whom we spoke. These companies and organizations are highlighted in further detail through a set of profiles in a companion publication.

ENROLLMENT POLICIES

Enrollment policies are the processes and regulations that a program adheres to when selecting and admitting participants. Enrollment is not merely finding the right number of participants to fill the available seats in a program; increasingly, it demonstrates an organization's approach to ensuring that admitted participants can excel in the program. Effective admissions policies should identify gaps that exist for underprepared participants and maximize the likelihood of success in job placements for program graduates.

One dimension of adults' preparedness relates to their academic and technical skills (e.g., basic math and reading skills that are foundational to job-specific training). However, readiness for an Alternative Pathways Program is not just an academic consideration; for low-income adults, experience in soft skills areas and other broader life circumstances may pose a greater challenge to success. Optimally, an APP will evaluate applicants across academic and technical skills, soft skills, and their overall life situation to understand their full range of strengths and potential challenges vis-à-vis program expectations. Each program, however, must establish its own standards and evaluative systems for applicants.

Figure 10 captures the three primary models found within the Enrollment Policies Pillar.

[SEE FIGURE ON NEXT PAGE]

FIGURE 10: ENROLLMENT POLICIES PROGRAM MODELS

HOLISTIC EVALUATION	SKILLS STANDARDS	OPEN ENROLLMENT
		
<p><i>Admissions process includes assessment of basic skills, behavioral competencies, and life barriers</i></p> <ul style="list-style-type: none"> • Applicants with the highest potential for success are admitted • Programs target applicants with the grit and determination to complete the program, in addition to required basic skills • Applicants' life situation is evaluated as a consideration for program success 	<p><i>Program requires baseline academic skills, generally high school equivalency or similar, for program entry</i></p> <ul style="list-style-type: none"> • Program applicants are selected largely based on academic skills, without testing for other factors • GED attainment, basic skills tests, and other technical skills evaluations are assessed as part of the admissions process 	<p><i>Program has minimal or no requirements for candidates in order to enroll in the program</i></p> <ul style="list-style-type: none"> • Program is open enrollment; applicants are accepted based on fulfilling basic application requirements • There may be geographic requirements or other demographic qualifications for entry
<p>Implication for Scale: Holistic evaluation is both labor intensive and data intensive, making scale more challenging</p>	<p>Implication for Scale: Assessment of skills standards poses limited barriers to scale; evaluating standards can be automated in many cases</p>	<p>Implication for Scale: No direct barriers to scale</p>
<p>Illustrative Programs: Opportunity Junction, The Stride Center, Per Scholas, Code2040</p>	<p>Illustrative Programs: Flatiron School, General Assembly, Code2040</p>	<p>Illustrative Programs: Hack the Hood</p>

The Holistic Evaluation model is the optimal Enrollment Policies Pillar for programs targeting low-income adults, enabling an organization to capture a complete picture of an individual's capabilities and circumstances. Below, we detail the rationale and implications for this approach across three areas - academic and technical skills, soft skills, and life barriers.

ACADEMIC AND TECHNICAL SKILLS

Academic and technical enrollment policies help ensure that admitted adults are prepared for the program curriculum. Such policies most commonly manifest in a high school equivalency or GED requirement. However, because these signals may not be sufficient to understand an individual's baseline skill level, an additional assessment of academic or technical skills and proficiencies may be necessary. "It's hard to get through our curriculum without at least a 10th-grade reading and math level," notes Kelly Richardson, managing director at Per Scholas, an alternative provider of IT training. "We screen for a candidate's 10th-grade-level skills regardless of whether they have a high school equivalency certification." Programs may also assess technical skills for program entry, but requirements should be limited to curriculum prerequisites, such as General Assembly's test for basic competency in coding.

SOFT SKILLS

While academic and technical skills are the most common enrollment requirements, perseverance, teamwork, and situational awareness are examples of soft skills that are critical to success in the workplace and may be underdeveloped in low-income adults. As a major program goal is for participants to hold a job in a professional setting, APPs should screen for candidates' capabilities and professionalism through in-person interviews or other evaluative activities. Per Scholas, for example, conducts interviews with all candidates who pass its basic skills assessment and asks a series of questions about an individual's communication style and their ability to learn from feedback. Per Scholas also presents candidates with a timed puzzle that is impossible to solve to test for perseverance. Assessing for a range of critical soft skills and an individual's professional demeanor, while time intensive, can elevate the preparedness of program participants and ensure success in both the program and job placements.

LIFE BARRIERS

Leading APPs also screen for an understanding of candidates' life circumstances that may make it hard for individuals to succeed. The strongest Enrollment Policies Pillar models strive to differentiate between those personal challenges that can be addressed and overcome through program support mechanisms and those that can prevent success in the program, irrespective of a candidate's academic and soft skills proficiencies.

Opportunity Junction, a non-profit teaching IT and computer skills, exemplifies this approach by testing for both "addressable" and "non-addressable" barriers faced by applicants. Opportunity Junction enrolls adults demonstrating what the organization deems addressable barriers (e.g., lack of a GED or work history, exposure to incidents of domestic violence). Executive director Alissa Friedman notes, however, that some adults possess certain issues that an APP like Opportunity Junction cannot effectively surmount, including "homelessness without access to shelter, certain personality disorders, less than one year of sobriety, and emotional fragility." In these scenarios, Opportunity Junction does not admit candidates, instead suggesting that they address these barriers before seeking more education.

Addressable barriers may differ by organization; for example, GED equivalency may be less relevant for administrative jobs secured through a program like Opportunity Junction than for coding opportunities through Flatiron School or General Assembly. Other addressable barriers for APPs may include food insecurity, childcare needs, and limited access to transportation; ultimately, however, individual APPs must determine what barriers they can address effectively for participants. APP providers serving low-income adults should determine which life circumstances they believe they can address or support - or not - and screen for them in the admissions process.

The Holistic Evaluation model can be resource intensive and therefore more challenging to scale. At Per Scholas, four people participate in an interview with each candidate, including someone from the business solutions team, a technical instructor, a career coach, and an admissions professional; this group interview process helps the organization evaluate candidates' ability to be successful within the program *and* to be marketable to employers. While automated skills-based assessments, such as those that test for reading or math abilities, and open enrollment policies are less time intensive, programs must deliver high-quality candidates that employers want to hire. Holistic evaluation policies allow organizations to matriculate candidates who are ready to benefit from the program and, with the proper training, ready to succeed in the workforce.

PARTICIPANT SUPPORT

The Participant Support Pillar reflects the methods and means by which various services enable low-income adults to overcome life challenges during the course of an Alternative Pathways Program. Participants may need to draw on a range of services (e.g., childcare, counseling, psychological or emotional assistance, transportation to the program); for many low-income adults, failure to secure scaffolding in these types of areas is detrimental to their ability to complete the program.

Figure 11 captures the general models found within the Participant Support Pillar.

FIGURE 11: PARTICIPANT SUPPORT PROGRAM MODELS

ON-SITE SUPPORT AND STRATEGIC PARTNERSHIPS	REFERRALS TO EXISTING SERVICES	NO SUPPORT SERVICES
		
<p><i>Invests in on-site professional staff to assist participants directly and also to refer them to external organizations and services as appropriate</i></p> <ul style="list-style-type: none"> • Provides access to on-site social workers or counselors • Develops formal partnerships with external support organizations for participant referrals • Offers stipends (e.g., for travel, food) or other financial support to participants 	<p><i>Relies exclusively on referrals to external organizations to fulfill participants' social service needs</i></p> <ul style="list-style-type: none"> • Establishes partnerships with organizations through agreements that range in degree of formality and structure • May offer workforce development funding or access to other federal aid 	<p><i>Limited efforts to connect participants to non-skill-related support</i></p> <ul style="list-style-type: none"> • Organization does not take a holistic view of its role with participants – it is just there to provide academic or technical training • Participants may not be eligible for workforce development funding or other federal aid
<p>Implication for Scale: Delivering on-site support is the most time- and resource-intensive approach for programs</p>	<p>Implication for Scale: Referral network limits impact to program resource requirements, minimizing program scale considerations</p>	<p>Implication for Scale: While no direct program costs, lack of services likely impacts participants' likelihood of program completion and success</p>
<p>Illustrative Programs: Hack the Hood, Year Up, Per Scholas</p>	<p>Illustrative Programs: General Assembly, BankWork\$</p>	<p>Illustrative Programs: StraighterLine, 180 Skills</p>

The optimal Participant Support Pillar model incorporates a core set of onsite services – often access to financial support or coaching and social workers who work one-on-one with participants – along with referrals to external organizations or services for more specialized needs.

COUNSELING AND ON-SITE SUPPORT

Programs must often support low-income adults in overcoming previous life experiences to gain confidence in their ability to succeed in the workplace. While APPs can look externally to provide participants with these resources, the most successful models incorporate on-staff psychologists or social workers to assist participants directly and proactively. At some APPs, seeing a counselor or psychologist is required for all participants; this approach can create an even stronger culture of support for participants. At Opportunity Junction, for example, two-thirds of participants regularly meet with an on-site psychologist, even though those visits are optional. Opportunity Junction executive director Alissa Friedman believes that people visit the psychologist with such frequency because the psychologist is on-site and readily available; this proximity drives both normalization and awareness of the services.

In addition to providing individual counseling, on-site staff can connect participants with external organizations that deliver more-specialized support services. Many leading APPs serving low-income adults rely on external support organizations; exemplary programs use staff to actively help participants find the support they need, rather than relying on participants to take initiative themselves. For example, addressing legal issues is a common need for program participants at Year Up, an apprenticeship program for young adults, according to chief of staff Alison Leff. In response, Year Up’s trained social workers connect participants to Youth Represent, a youth defense and advocacy agency with which Year Up has a formal partnership, to support them in this area.

APPs can help low-income adults navigate their program, employment options, and other critical life decisions with an on-site support model and strategic external partnerships.

STIPENDS AND OTHER FINANCIAL SUPPORT

One of the major distinctions between APPs that serve low-income adults and those that serve more affluent adults is participants’ ability to pay for the program. Mainstream technology and data boot camp programs charge tuition fees that can range from \$10,000 to \$15,000, a nonstarter for low-income adults; moreover, even with scholarship initiatives established by leading providers, low-income adults are not positioned for success in many of these programs as currently configured. For example, even after the NYC Web Development Fellowship covered tuition and an additional stipend for recipients to attend Flatiron School’s program, Flatiron CEO Adam Enbar realized that participants in “the first class of the program couldn’t afford a subway card for their transportation to the school.” Future fellowships accounted for this logistical detail and also addressed other small but significant barriers that emerged during the first cohort’s experience. While not all programs provide direct financial stipends, there exist alternatives to support low-income adults, including providing food on-site or, as noted above, offering passes for public transportation.

Similar to the optimal Enrollment Policies Pillar model, the optimal Participant Support Pillar model is the most resource intensive and therefore presents challenges to scale. Providing appropriate support for participants through financial assistance and on-site counselors and other professional staff incurs additional program costs. However, without providing direct or indirect access to comprehensive support services, APPs will face the same issues that challenge other types of educational programs targeting low-income adults – low program retention and completion rates. Programs must find the right balance between their resources and participants' needs, and while strategies such as referrals to localized services and agencies may help, companies and organizations must deliver a foundational level of support that will enable participant success.

LABOR MARKET ALIGNMENT

With a primary goal of helping low-income adults to find sustainable employment, Alternative Pathways Programs must ensure that their curriculum and related activities align to the needs of employers. The Labor Market Alignment Pillar captures this dynamic through the extent to which programs:

- Integrate feedback from employer partners
- Orient their offerings and job pathways to local or regional workforce needs

The optimal model for Labor Market Alignment, Regional Training Flexibility, addresses these issues through active partnerships with employers and a focus on industries with strong local employment opportunities.

[SEE FIGURE ON NEXT PAGE]

FIGURE 12: LABOR MARKET PROGRAM MODELS

REGIONAL TRAINING FLEXIBILITY	ADJUSTABLE TRAINING OFFERING	FIXED TRAINING OFFERINGS
		
<p><i>Delivers programs based on partner and local workforce needs</i></p> <ul style="list-style-type: none"> Establishes deep program partnerships with employers and other stakeholders to ensure a regular feedback loop to facilitate demand-driven adjustments to programs Bases program offerings on local workforce needs and specific job roles and opportunities 	<p><i>Delivers programs based on partner needs, but may not always fit specific local context</i></p> <ul style="list-style-type: none"> Secures program feedback through high-level advisory boards and relationships with employers; frequency and depth of interaction is limited Offers similar programs across multiple APP sites, with limited orientation to local or regional needs 	<p><i>Delivers core set of programs with few or no adjustments based on employer or geographic considerations</i></p> <ul style="list-style-type: none"> Develops offerings based on internal considerations and expects or hopes they meet market needs Maintains no or limited relationships with prospective employers or local stakeholder groups
<p>Implication for Scale: Inhibits scaling the number of program sites due to increased investment to adjust for employer and region-specific needs; yet increased employer feedback and satisfaction may boost scale by increasing the number of users at partner sites</p>	<p>Implication for Scale: Inhibits scaling the number of program sites due to increased investment to adjust for employer needs; yet increased employer feedback and satisfaction may boost scale by increasing the number of users at partner sites</p>	<p>Implication for Scale: Scaling and replication are fairly straightforward, given the little investment made to localize the program</p>
<p>Illustrative Programs: Year Up, Per Scholas, 180 Skills, Hack the Hood</p>	<p>Illustrative Programs: General Assembly, The Stride Center</p>	<p>Illustrative Programs: BankWork\$</p>

Exemplary APPs adjust their curriculum to local needs, facilitated by strong employer partnerships. While the intensity of partnerships between APPs and employers vary, they should allow for regular, substantive interaction. For example, at 180 Skills, an employer partner is assigned to evaluate every course in order to ensure ongoing employer feedback. This model provides 180 Skills with guidance vis-à-vis in-demand skills and roles to strengthen its labor market alignment when developing courses and programs. Similarly, IT training provider Per Scholas has collaborated with Barclays, a bank, to develop a cybersecurity program for low-income adults, and Year Up has shifted the conversations it has with employers to better understand their greatest employment needs in order to build programs based on these gaps. According to Alison Leff of Year Up, “We want to ensure [our programs] provide pipelines of talent for jobs that companies really need.”

LOCAL FOCUS

Ensuring that APPs meet the workforce needs within their region is also critical. To date, many of the more notable APPs and models have focused on needs within the technology sector (e.g., coding, web design). These programs are generally concentrated in urban areas where high demand exists for technology talent. Code2040, a coding fellowship program in the San Francisco and Oakland areas for underrepresented minorities, and Flatiron School, through its NYC Scholars Program, are two examples that focus on growing job opportunities in the technology sector within an urban landscape.

Yet general workforce needs suggest that APP providers – and their supporters – have an opportunity to develop more than simply technology-oriented programs. Opportunity Junction, for instance, focuses on administrative assistant positions, where both the number of roles available and their entry point from an employment pathway perspective exist in many geographic locations. Effective APPs also need to demonstrate flexibility as workforce needs change over time.

Developing or redesigning program curricula based on employer needs and regional economies is an active, ongoing process that requires a commitment to reinvest. Despite these costs, the ability to evolve to meet employer needs can facilitate an APP’s expansion and its ability to serve more adults. Year Up’s shift toward better understanding employer needs has led the organization to place more adults at each partner site and has expanded demand for the number of low-income adults completing its program. This employer-driven demand is a key hallmark – and goal – of leading APPs.

CONNECTIONS TO JOB OPPORTUNITIES

The Connections to Job Opportunities Pillar highlights the method by which Alternative Pathways Programs help participants find jobs. Often a key point of differentiation for programs, models range from direct placements through internships or guaranteed jobs to no direct employment efforts at all. The optimal model for this Pillar is an indirect matching model we refer to as Opportunity Connector; this programmatic approach involves building a network of employers committed to evaluating and interviewing program graduates for potential hire. Other frequently observed models are also described in Figure 13.

FIGURE 13: JOB CONNECTIONS PROGRAM MODELS

PLACEMENT	OPPORTUNITY CONNECTOR	EXPOSED TO JOB OPPORTUNITIES	NO JOB CONNECTION
			
<p><i>Guarantees job placement to participants who complete the program</i></p> <ul style="list-style-type: none"> • Guarantees participants jobs at the end of the program through partners • May provide placement in the form of apprenticeships or internship opportunities 	<p><i>Connects participants to interview opportunities with potential employers</i></p> <ul style="list-style-type: none"> • Connects participants directly with recruiters • May partner with employers to provide exclusive or priority consideration for program graduates 	<p><i>Offers resources to facilitate job search efforts</i></p> <ul style="list-style-type: none"> • Provides program participants with access to various job search tools and resources to support their job search efforts • No commitment to provide preferential access to opportunities 	<p><i>Provides no or limited job search resources</i></p> <ul style="list-style-type: none"> • Limited efforts to support program participants' job search process
<p>Implication for Scale:</p> <p>Scaling limited by number of employer partners; difficult to match every participant to a job</p>	<p>Implication for Scale:</p> <p>Accelerates scaling by decreasing the burden of program matching and increasing employer autonomy in hiring decisions</p>	<p>Implication for Scale:</p> <p>Limited impact on scaling, save for program investments in fee-based tools and resources or coaching services</p>	<p>Implication for Scale:</p> <p>No impact on scaling</p>
<p>Illustrative Programs:</p> <p>Opportunity Junction</p>	<p>Illustrative Programs:</p> <p>BankWork\$, Flatiron School, Per Scholas, 180 Skills</p>	<p>Illustrative Programs:</p> <p>The Stride Center</p>	<p>Illustrative Programs:</p> <p>StraighterLine</p>

The Placement model and the Opportunity Connector model are both superior approaches. However, the Opportunity Connector model generally has advantages relative to the Placement model, including developing job search skills among participants, greater employer ownership and satisfaction in placement outcomes, and ultimately, increased scalability.

OPPORTUNITY CONNECTOR MODEL

For low-income adults, the job search process may not be one with which they have had much experience; developing the skills required to be successful not simply once, but across a lifetime, is a goal of some APPs and is best realized through the Opportunity Connector approach. This model incorporates elements of resume and profile development, interviewing skills and practice, and evaluation of roles based on fit with an individual's interests and capabilities. When APPs facilitate participants' job search process, rather than simply solving it with a placement, they strengthen low-income adults' job search skills.

The Opportunity Connector model also allows for increased employer responsibility in hiring decisions, which generally leads to better fit with new hires and greater employer satisfaction. At Per Scholas, for instance, a dedicated business solutions team refers program participants to each employer for consideration, but the employer makes the final hiring decision. Similarly, when 180 Skills adds an employer to its formal network, the employer's "only obligation is to provide candidates with an interview and serve as a safe destination for a 180 Skills candidate hire," according to CEO Joe Kitterman. Even one hire who is not a great fit may cause an employer to look elsewhere for talent, so increased employer autonomy and the hiring satisfaction that results from it may lead to a more effective partnership with APPs.

The Opportunity Connector model also enables expansion by allowing programs to build an extensive employer network through which participants can find and pursue qualified opportunities. While the Placement approach delivers higher placement rates initially, it is more time intensive than connecting participants to employers. Furthermore, as Flatiron School CEO Adam Enbar notes, "Direct feeder programs are not scalable." Given the diversity of activities that high-performing APPs must address, organizations are better served by delivering a set of candidates for review to employers and focusing the time saved on preparing program participants for that process. In this way, candidates gain job placement experience.

APPs must find the right balance between empowering ownership in the job search process for participants and providing a leg up through increased opportunities. The Opportunity Connector model best strikes this balance.

TRAINING MIX

The Training Mix Pillar addresses the balance of a program's curriculum between hard skills (e.g., academic and technical skills) and soft skills (e.g., workplace skills like organization, conflict resolution, and time management). The optimal approach includes a blend of both, preparing participants for near-term employment opportunities while equipping them with longer-term life skills.

FIGURE 14: TRAINING MIX PROGRAM MODELS

BALANCED APPROACH TO HARD AND SOFT SKILLS	SOME SOFT SKILLS TRAINING	NO SOFT SKILLS
		
<p><i>Delivers a balanced combination of “hard” job-oriented skills and “soft” people skills that are well integrated</i></p> <ul style="list-style-type: none"> • Designs curriculum in which soft skills training comprises a meaningful percentage (i.e., 20%+) of program time and focus • Treats soft skills topics as equally important for long-term job success • Ensures thoughtful integration of soft skills content with academic preparedness and job-oriented materials 	<p><i>Delivers primarily job-oriented academic and technical skills; limited soft skills training</i></p> <ul style="list-style-type: none"> • May include soft skills content, but often ancillary to core program focus • Approaches soft skills as tools to get “next” job, not necessarily as lifelong professional skills required for success in the workplace 	<p><i>Provides exclusively academic or technical skills education and training</i></p> <ul style="list-style-type: none"> • Offers academic preparedness or technical skills education and training to ensure proficiency
<p>Implication for Scale: Notwithstanding program design, no reason this approach should adversely impact program scalability</p>	<p>Implication for Scale: Notwithstanding program design, no reason this approach should adversely impact program scalability</p>	<p>Implication for Scale: Notwithstanding program design, no reason this approach should adversely impact program scalability</p>
<p>Illustrative Programs: Opportunity Junction, The Stride Center, 180 Skills, #YesWeCode</p>	<p>Illustrative Programs: Flatiron School, Hack the Hood</p>	<p>Illustrative Programs: StraighterLine</p>

Within soft skills, we believe that two development areas are critical for low-income adults: job search skills and professional skills. The former category includes topics such as networking, resume development, and interviewing; the latter includes time management, communication, collaboration and working in teams, and general professionalism. These two sets of skills facilitate lifelong employment and professional success for low-income adults and are applicable to all future opportunities they may find or create. Alternative Pathways Programs that do not invest in soft skills development for participants may not be positioned to provide low-income adults with the resources and development required for long-term employment success.

MIX OF SOFT SKILLS VERSUS HARD SKILLS

Soft skills education and training should be formally integrated into the curriculum and represent a meaningful percentage of contact time for participants. While time allocation varies by program and target audience, achieving 20% of curricular time is a good target. Per Scholas dedicates 25% of its program curriculum to soft skills, and 180 Skills devotes 40% of its content to soft skills development.

The Balanced Approach to Hard and Soft Skills model, however, is not simply about the mix of training time. Perhaps more importantly, soft skills development for low-income adults demonstrates a program's commitment to enabling both short-term and long-term employment success for participants. Felix Flores, national director of #YesWeCode, notes, "You can give [participants] all the right Ruby and Java skills, but if they don't have the soft skills required in the workplace, it doesn't matter." Alison Leff, from Year Up, strongly believes that the program's professional skills training is its "secret sauce"; Year Up's training addresses activities ranging from delivering an elevator pitch about oneself to simple best practices such as giving a good handshake and making eye contact when speaking with co-workers and interviewers. While these examples may seem second nature to many, they are not necessarily obvious to many low-income adults with limited employment experience.

Incorporating soft skills training into an APP's curriculum should have little impact on the ability of a program to scale its reach and delivery. While these areas may require different instructors - or greater attention to these issues by existing ones - soft skills training is no more difficult to set up than academic and technical training. In addition, soft skills training is more broadly applicable across job roles and industries and thus requires less adjustment over time or as a program expands into new workforce areas.

FINANCIAL MODEL

The Financial Model Pillar captures the sources for Alternative Pathways Programs' revenue-generating efforts and illuminates the APP provider's potential sustainability and scalability. Differences between for-profit companies and non-profit organizations delivering APPs are most notable in this Pillar.

Table F highlights a set of primary revenue sources for both for-profit and non-profit APPs; the models are not mutually exclusive, as many organizations may pursue a combination of revenue streams. An APP with strength in this Pillar will be in a particularly good position to grow and expand its program footprint.

FIGURE 15: FINANCIAL MODELS

EMPLOYER AS PAYER	PARTICIPANT AS PAYER	PUBLIC GRANT FUNDING	PHILANTHROPIC FUNDING
			
<p><i>Employers represent the primary or most significant revenue source</i></p> <ul style="list-style-type: none"> • Programs generate revenue from services provided to employers (e.g., placement fees for interns or full-time hires) 	<p><i>Participant tuition fees represent the primary or most significant revenue source</i></p> <ul style="list-style-type: none"> • Programs generate revenue from program tuition fees paid by participants • Programs may minimize participants' financial obligations through scholarships or stipends 	<p><i>Public funding (e.g., federal or state funding) represents the primary or most significant revenue source</i></p> <ul style="list-style-type: none"> • Programs may leverage a public grant or access WIOA funding through Individual Training Accounts or other funding administered through one-stop centers • Programs can be funded by a single source or multiple sources, with single-source programs facing the highest risk to sustainability • The range of funding across both public and private sources tends to broaden and diversify as a program gains traction 	<p><i>Private grants and donations (e.g., foundation grants and individual donations) represent the primary or most significant revenue source</i></p> <ul style="list-style-type: none"> • Programs receive one or more private grants to fund near-term operations • Programs can be funded by a single source or multiple sources, with single-source programs facing the highest risk to sustainability • The range of funding across both public and private sources tends to broaden and diversify as a program gains traction
<p>Implication for Scale:</p> <p>This demand- or customer-oriented revenue model is validated – and scales – by efficacy of the APP's model</p>	<p>Implication for Scale:</p> <p>Limits participation for low-income adults in the absence of robust financial aid resources</p>	<p>Implication for Scale:</p> <p>Funding sources tend to be different from year to year and are not predictable, though long-term grants and recurring funding like WIOA can provide more stability</p>	<p>Implication for Scale:</p> <p>Funding sources tend to be different from year to year and are not predictable, though long-term grants provide more stability</p>
<p>Illustrative Programs:</p> <p>Year Up, Code2040</p>	<p>Illustrative Programs:</p> <p>General Assembly, Flatiron School</p>	<p>Illustrative Programs:</p> <p>Opportunity Junction</p>	<p>Illustrative Programs:</p> <p>Hack the Hood</p>

The Participant-as-Payer model is not practical for programs serving a high proportion of low-income adults, and steady grant funding is also a challenge for many organizations. Given these dynamics, identifying and implementing fee-based models that derive meaningful support from employers is paramount, particularly for APPs primarily enrolling low-income adults.

Most leading non-profit APPs rely heavily on philanthropic funding, specifically grants and private donations. Both Opportunity Junction and The Stride Center generate annual funding from these sources and have had a significant impact creating successful outcomes for low-income adults for more than 10 years. However, there is an inherent sustainability risk with this financing model, and importantly, it limits organizational growth and expanded reach. Opportunity Junction executive director Alissa Friedman admits that “there is always a part of the budget [I am] trying to cobble together,” despite having consistent supporters for many years. Barrie Hathaway, executive director of The Stride Center, a non-profit provider of IT training, shares this sentiment and echoes the notion that the Philanthropic Funding model inhibits growth. Hathaway stresses that the rarity of multi-year grants from funders means that The Stride Center “has to be somewhat conservative” in how many participants it can enroll each year. “It’s not a happy system, but we have made it work,” he notes. While these organizations’ grant-funded programs have demonstrated strong outcomes for low-income adults, their current funding models constrain the scale and impact that they can have.

The optimal Financial Model Pillar for APPs, therefore, should tend toward an Employer-as-Payer model, while also pursuing revenue from other sources, including grants, donations, and even nominal student tuition fees. At Year Up, for instance, 50% of annual funding is generated from corporate partners, mainly through internship fees for students that the organization places. This revenue source mostly covers Year Up participant stipends and operating costs for the organization; importantly, it allows funding from foundations and individual donors to be directed toward organizational growth initiatives.

In addition, the Employer-as-Payer model can lead to growth at local program sites by changing employers’ perceptions of their investments from a corporate sustainability effort – often funded through corporate foundations – to a talent solution pursued by corporate business leaders. While Year Up’s Alison Leff notes that internship fees can make for a tougher sell to corporate partners, “it changes the way they think about their resources. Employers investing in internship fees must think about our candidates as a skilled resource, not as a favor.” Leff and her colleagues believe that once employers view programs as a trusted talent provider, they are more likely to expand their investment to access additional talent as their needs change.

A variation on the Employer-as-Payer model is reflected in General Assembly’s Opportunity Fund, a scholarship program that represents the company’s effort to subsidize its tuition fees for participants who require financial assistance. The Opportunity Fund was established by donations from corporations, foundations, and individuals and is the type of initiative that addresses one of the barriers facing low-income adults vis-à-vis APPs with primarily Participant-as-Payer models.

Program scale is directly correlated with both sustainability and the ability for companies and organizations to expand delivery of APPs to low-income adults. Solutions to many of the scale challenges facing APPs are predicated on strengthening the programs’ Financial Model Pillar; absent progress in this area, even the most impactful programs will struggle to expand their reach.

A CALL TO ACTION

Path to Employment highlights a set of education and training models – Alternative Pathways Programs – that have the potential to dramatically improve the employment trajectory for low-income adults in communities across California and the country more broadly. When well designed and connected to local labor market needs, these programs offer a vision for enhancing the education-to-employment pathways that community colleges and workforce development programs, among others, have been addressing for decades. APPs are not a substitute for these historical programs and services, but rather a group of innovative models that require greater consideration in the effort to accelerate low-income adults’ employment opportunities.

There is considerable excitement about APPs in some communities and among selected stakeholder groups; however, the reality is that they remain a small, emerging part of a large and established ecosystem supporting low-income adults. At a macro level, key areas of emphasis for companies and organizations developing and delivering APPs include:

- **Improving the collective strength of their Program Pillars** – No provider we reviewed had implemented each “optimal” Pillar, nor should that be an explicit expectation. However, conducting a self-assessment of program strengths and weaknesses vis-à-vis the Pillars is a valuable exercise in understanding how well positioned an organization is to serve low-income adults and the ways in which it can improve its fit for this population. Ultimately, the exercise should lead to a stronger program core to meet these adults’ needs and expectations.
- **Facilitating coordination across the APP community** – Scaling and replication will occur more slowly absent more coordination among regional and national APP providers (and broader sets of stakeholders). Improving awareness and coordination should allow various APP models to share leading practices and encourage diffusion of them; it may also allow programs to support each other by matching one program’s areas of strength with another program’s weaknesses. Notes The Stride Center’s Barrie Hathaway, “We’ll be more successful if we connect all the great programs that exist out there, connecting our tools, resources and incentives.”
- **Developing diversified revenue streams** – Building a sustainable financial model is particularly challenging for non-profit organizations delivering APPs, many of which are heavily dependent on grants, donations, and other non-recurring revenue sources. For-profit providers tend to emphasize participant tuition fees, which presents challenges when serving low-income adults with limited financial resources. In both cases, providers are actively exploring revenue models that capture fees from the beneficiaries of their services – employers. However, while the Employer-as-Payer model has great potential, organizations may need assistance in building out this approach. In the interim, generating revenue from a diverse set of funders and formats will be critical to enable APPs to serve low-income adults.

Attention to these three issues should assist organizations – and local communities – in creating a strong base from which to scale program capacity and impact for adults.

The goal of *Path to Employment* is to ensure that a broader set of stakeholders understand the diversity and potential of APP providers and work within their communities to invest in the success of these companies and organizations. Creating an environment supporting the growth and expansion of impactful APPs will be best achieved through the involvement of the diversity of stakeholders already engaged in serving low-income adults: local and state policymakers, foundations and private-sector funders, employers, postsecondary educational institutions, and social service agencies and programs. Below, we offer selected recommendations and considerations for each of these primary stakeholder groups.

Please note that these ideas should be read as a collective set of actions and initiatives that can cultivate and drive development and scaling of innovative APP initiatives designed to accelerate meaningful employment options for low-income adults. They are intended to provoke discussion and action within and across the stakeholder communities; they should not be read as exhaustive or comprehensive in scope.

POLICYMAKERS

Local- and state-level officials are actively engaged in the development and growth of education-to-employment opportunities for low-income adults through proximity to their communities and their constituents' needs. Selected priorities for this group of leaders include:

- Advocating for new or additional funding to expand the capacity of education-to-employment programs, including Alternative Pathways Programs
- Implementing an annual review of existing education-to-employment programs for low-income adults to assist the local community in developing annual priorities
- Evaluating incentive opportunities for companies and organizations delivering APPs in high-need communities or for high-need workforce areas

FOUNDATIONS AND PRIVATE-SECTOR FUNDERS

These groups can often provide risk capital to new initiatives to help validate their potential. Moreover, they are often at the heart of collective-action initiatives, providing the proverbial glue and networks required for multi-stakeholder initiatives. Selected investments from this set of stakeholders include:

- Assisting successful Alternative Pathways Programs to overcome barriers they face to scaling and expanding their model in current or new locations
- Providing funding to help APPs enhance existing Program Pillars or develop new ones to drive greater program impact and scale
- Establishing a network or consortium of active APPs in the region to share best practices for serving low-income adults
- Subsidizing development costs to modify the program design of APPs with strong outcomes that are not currently serving low-income adults

EMPLOYERS

Employers play an essential role in the ecosystem; they dictate what skills workers need to have to fill workforce gaps, and ultimately they hire individuals who complete Alternative Pathways Programs. As such, they can support expanded job opportunities for low-income adults and improvements to this population's level of preparedness. Key roles for employers include:

- Working closely with local workforce boards and APP providers to articulate workforce needs and expectations that can be integrated into program design and development efforts
- Establishing a commitment to make hires from programs engaging low-income adults
- Designing internal training programs that embody the principles of the optimal Program Pillars to ensure efficacy for all their employees

POSTSECONDARY INSTITUTIONS

Among these stakeholder groups, postsecondary institutions – and specifically community colleges – are already serving large numbers of low-income adults. At the same time, colleges and universities struggle with the targeted education-to-employment mandate pursued by Alternative Pathways Programs on behalf of students; as research shows, one reason students drop out of college is due to work obligations and the struggle to see the connection between what they learn in school and a future job.¹⁸ Selected opportunities for postsecondary institutions include:

- Partnering with APPs to award transferable academic credit for completed coursework and activities
- Convening with local APPs across comparable functions (e.g., enrollment, participant support) to share best practices and insights regarding local adult student populations
- Hosting APPs on campus as an option for students

SOCIAL SERVICE AGENCIES AND PROGRAMS

A robust ecosystem of public and private-sector programs already exists to support low-income adults. While some of these are focused on education-to-employment initiatives (e.g., workforce investment boards), many others deliver more foundational services (e.g.,) that enable adults to achieve the degree of stability in their lives necessary for employment success. Selected priorities for these organizations vis-à-vis Alternative Pathways Programs include:

- Partnering with APPs within the programs' Participant Support Pillar as a referral resource for those services that programs cannot provide themselves, or as an "insourced" partner delivering services on-site
- Supporting the enrollment goals of local programs by referring adults to them
- Extending their networks and local development goals to include companies and organizations delivering programs that may not already be a part of their ecosystem

18. Public Agenda, "With Their Whole Lives Ahead of Them: Myths and Realities About Why So Many Students Fail to Finish College," August 2011, <https://www.publicagenda.org/files/theirwholivesaheadofthem.pdf>.

Millions of low-income adults struggle daily to find viable employment pathways to earn enough to support their families, while foundations and other organizations work diligently to help this group improve their long-term economic and employment outlook. As one approach to battling this challenge, APPs offer an education-to-employment model that can be effective in changing the trajectory for this population. While many of the leading APPs remain small and regionally focused, they offer models for innovative approaches to engaging adults and accelerating their workforce participation. *Path to Employment* represents an effort to call out the work of these dynamic organizations, highlight program design principles that underpin successful programs, and engage stakeholders in a discussion as to how they can improve the efficacy and long-term outcomes for low-income adults through these programs.

METHODOLOGY

The data and analysis in this publication were derived from a large-scale qualitative analysis of hundreds of companies and organizations delivering education, training, and related services to adult learners. While this paper focuses on Alternative Pathways Programs supporting low-income adults, we *did not* limit our evaluation to providers serving this community. Rather, we pursued a broad-based scan of the landscape to integrate findings and notable practices from APPs serving the diversity of adult learners.

Applying internal James Irvine Foundation criteria and Tyton Partners' own proprietary market map rubrics, our first step was to use different business model attributes to sort several hundred companies and organizations with APPs; this effort ensured our focus on those providers delivering education-to-employment programs, most of which were outside the traditional higher education milieu. Upon deriving this working list of APP providers – to which we continued to add candidates as we identified them – all organizations were put through two additional screens: our Employment Opportunity screen and our Target Industries screen, applied in that order.

The Employment Opportunity screen evaluated the *type of training offered to learners*. Provider offerings were organized into four primary categories:

- Non-Credit Education
- Credit attainment
- Job-specific training
- Job placement services

Programs that emphasized job-specific training or job placement services that would lead most directly to changes in the career trajectories of adults were prioritized. Some companies and organizations that did not pass this initial screen were still considered if their programs offered relevant and innovative components; these were evaluated further.

Organizations emerging from the Employment Opportunity screen were then put through the Target Industries screen, which evaluated *the career specificity of a program's education and training initiatives and the applicability of these to local economies*. Given the Irvine Foundation's priority interest in selected California regions, we paid particular attention to companies and organizations active in these areas. Organizations were segmented accordingly, and all were deemed germane to our larger analysis. This cohort of companies and organizations was then assessed through the lens of the Investment Prioritization Framework, which helped identify those delivering programs with the highest relevance and potential for low-income, low-skill adult populations.

Drawing on this review and other factors, Tyton Partners hosted more than 20 conversations with leading companies and organizations, as well as other community stakeholders. These interviews were aimed at understanding the primary strengths, challenges, and insights leading to success within APPs and resulted in the identification of the six Program Pillars.

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- Trilogy Education Services
- WorkHands
- Year Up
- #YesWeCode

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Finally, any errors, omissions, or inconsistencies across this publication are the responsibility of Tyton Partners alone.

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ABOUT TYTON PARTNERS

Tyton Partners is the leading provider of investment banking and strategy consulting services to the global knowledge sector. Built on the tenets of insight, connectivity, and tenacity, Tyton Partners leverages in-depth market knowledge and perspective to help organizations pursue solutions that have lasting impact.

As an evolved advisory services firm, Tyton Partners offers a unique spectrum of services that supports the growth objectives of companies, organizations, and investors as they navigate the complexities of the education, media, and information markets. Tyton Partners understands the intricacies and nuances of these markets and plays an integral role in shaping the efforts that drive change within them. The firm's expertise is predicated on its principals' years of experience working across the sector - including the preK-12, postsecondary, corporate training, and lifelong learning sectors - and with a diverse array of organizations, from emergent and established private and publicly traded companies, to non-profit organizations, institutions, and foundations, to private equity and venture capital firms and other investors.

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