

# CREATING ENTREPRENEURSHIP PATHWAYS FOR OPPORTUNITY YOUTH

Early Experiences from the Youth Entrepreneurship Fund Grantees

By Joyce A. Klein and Yelena Nemoy



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## About the Authors

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# Introduction



**O**pportunity youth continue to struggle to connect to our economy. Even as the United States economy continues to grow, unemployment rates are low and monthly job reports are strong, youth and young adults – particularly young people of color – continue to have unemployment rates well above that of the workforce as a whole. Opportunity youth are the 4.6 million young people between the ages of 16 and 24 who are neither enrolled in school nor participating in the labor market. Youth disconnection has fallen from the peak rate of 14.7 percent during the height of the Great Recession in 2010 to 11.7 percent in 2016. Importantly, there are significant disparities in disconnection rates between white youth and youth of color: In 2016, 9.2 percent of white youth were disconnected from school and work, compared to 13.7 percent of Latinx youth and 17.2 percent of black youth. Native American youth experienced the highest rates of disconnection at 25.8 percent, while Asian youth had the lowest at 6.6 percent (although that differs by ethnic categories, with 15.1 percent of Hmong youth not in school or working). There was also a rural/urban divide, with a 19.3 percent rate of disconnection among youth residing in rural areas, compared to 11.3 percent rate for suburban youth and 12.9 percent rate for youth living in urban centers.<sup>1</sup>

Opportunity youth are more likely than their peers to experience life circumstances that present barriers to stable attachment to education and employment: They are more likely to be married and parenting at a young age; living with people or family who are not their parents; have a disability; or, for Latinx and Asian youth, have lower levels of English proficiency or not hold US citizenship. Opportunity youth are nine times more likely than their peers to have dropped out of school without completing their diploma. They are also much more likely than their peers to experience institutionalization (that is, reside in places such as prisons, detention centers, jails, residential treatment centers, and psychiatric hospitals). In 2016, 6.6 percent of opportunity youth were experiencing

institutionalization, compared to 0.3 percent of their peers. Among black youth, that rate was 13 percent.<sup>2</sup>

The Opportunity Youth Forum (OYF) is an initiative of the Aspen Institute Forum for Community Solutions that supports a network of over two dozen urban, rural, and tribal communities seeking to scale reconnection pathways that achieve better employment and education outcomes for opportunity youth. Communities in the OYF network are bringing together multiple stakeholders and system leaders – including those from schools, community-based programs, postsecondary institutions, employers, government agencies, and, importantly, youth themselves – to remove barriers and improve systems that serve opportunity youth, with a focus on creating comprehensive pathways to education, family-sustaining careers, and successful adulthood. Additionally, OYF collaboratives are building the capacity of local systems to better support opportunity youth by identifying and sharing successful strategies; mobilizing stakeholders; advocating for effective policy; and catalyzing public and private investments in opportunity youth.

In order to address disproportionate rates of disconnection and system involvement experienced by young people of color, OYF focuses on community-based solutions that are rooted in the equity frame, designed with the most vulnerable youth in mind, and seek to disrupt the impacts of institutional racism and inequities in access to opportunity. Another core feature of OYF is a commitment to centering the expertise and leadership of youth in designing solutions that impact them. OYF believes that young people have the right to represent their own interests and the expertise to play decision-making roles at collaborative tables. Authentically engaging youth and young adults in designing solutions to their challenges can lead to youth-serving systems that are better informed, more effective, and more equitable, while at the same time providing the future generation of leaders with critical opportunities to progressively refine their advocacy, community

organizing, and program design skills.

In 2017, the Forum for Community Solutions designed and launched the Youth Entrepreneurship Fund (YEF) with support from the Charles Stewart Mott Foundation. The YEF responded to the interest expressed by OYF collaboratives and youth leaders in exploring entrepreneurship as a pathway to economic self-determination and wealth-building in low-income communities. The YEF seeks to promote racial and economic equity by ensuring that youth experiencing barriers to participation in the economy – including youth of color, Native American, and rural youth, as well as youth who are low-income and reside in public housing – are provided with a full range of opportunities to develop an entrepreneurial mindset and skills that can help them thrive in today’s economy, as well as access to tools and resources needed by aspiring entrepreneurs.

Toward that end, the YEF supports collaborative approaches that bring entrepreneurship education and training providers together with partners that facilitate access to key elements of the entrepreneurship ecosystem in these communities – including mentorship, business pitch competitions and seed funding, accelerators and incubators, hands-on workplace experience, and internships. Pathways also include wraparound supports that opportunity youth need to stabilize and thrive in their day-to-day lives (such as case management, housing and other services, work readiness training, and connections to additional career and skill-development opportunities). The YEF is distinct from other youth entrepreneurship initiatives in its collaborative approach to designing and implementing pathways that provide a range of services and supports – rather than placing youth in stand-alone entrepreneurial education programs – as well as its emphasis on core OYF principles of equity and inclusion, fostering agency and self-determination, and including youth in the design and leadership of pathways. To date, the YEF has provided support for

## What are pathways?

Throughout this paper, we make several references to the concept of “pathways.” While there is no single definition of pathways – and their required components – in the field of opportunity youth, there is a shared understanding that for this population a pathway should consist of a portfolio of integrated options that can help these young people reengage in education, earn a high school diploma or equivalent, enroll in postsecondary education and training that leads to meaningful credentials with value in the labor market, and ultimately enter careers with family sustaining wages. These integrated pathways should have multiple on-ramps and off-ramps in order to meet young people’s needs given their assets, skills, and challenges.

For the purposes of the Youth Entrepreneurship Fund (YEF), we believe that broadly, the components of an entrepreneurship pathway should consist of a combination of the following options: entrepreneurial education (adapted to the needs of opportunity youth); hands-on workplace experiences such as internships or job shadowing; entrepreneurship supports such as mentoring, business incubation or counseling, and access to seed capital; and wraparound case management and stabilization supports. Rather than being prescriptive in identifying specific components that grantees must include in their projects, YEF supports local leadership and innovation in pathway design as we seek to learn from local implementation efforts in order to enrich our understanding of what entrepreneurship pathways for opportunity youth look like in communities.



## **“Youth disconnection has fallen from the peak rate of 14.7 percent during the height of the Great Recession in 2010 to 11.7 percent in 2016.”**

the development of entrepreneurship pathways in three OYF communities: Del Norte County and Tribal Lands, California, Philadelphia, Pennsylvania, and San Francisco, California.

In building collaborative entrepreneurship pathways, the YEF sites have drawn upon existing entrepreneurship organizations and supports in their communities. Across the US, there are well-established fields of practice in entrepreneurship. These fields include:

- *Youth entrepreneurship programs* that seek to build an entrepreneurial mindset and skills among school-age youth, typically through in-school or after-school settings.
- *Business development programs* that provide a mix of educational, advisory, and financial services to low- and moderate-income individuals seeking to start or sustain very small businesses. These programs have largely targeted adults (typically those age 35 and above) rather than youth and young adults in the opportunity youth age range.
- *Experiential and social enterprise programs* that focus on building entrepreneurial skills in tandem with occupational skills and work experience. These might include, for example, a social enterprise that provides catering services to enable participants to build culinary skills and experience while also exposing them to entrepreneurial skills and content.

- *Postsecondary entrepreneurship education programs* that offer academic courses of study in entrepreneurship.

Although each of these fields of practice has elements with relevance to the work of the YEF sites, most have not typically focused on or targeted opportunity youth.

This paper explores the potential for using entrepreneurship to engage and create pathways for opportunity youth, by examining what is known about practice and experience in existing entrepreneurship programs, and by sharing emerging models for creating and adapting entrepreneurship programming specifically targeted to opportunity youth.<sup>3</sup>

### **The labor market context for youth and young adults**

As labor markets have tightened, employment levels for youth and young adults age 16-24 have been rising. However, many still face extraordinary challenges connecting to the labor market. In the third quarter of 2018, 12.8 percent of youth age 16-19 and 6.9 percent of those age 20-24 were unemployed. This compared to an unemployment rate of 3.1 percent among all workers age 25 and older. As the table below indicates, youth of color were particularly challenged to find work. Those facing the greatest challenges are teenage black and Latinx men, who had unemployment rates of 25.3 and 17.3 percent respectively during the third quarter of 2018.<sup>4</sup>

Young adult employment is heavily concentrated in industries that are characterized by part-time jobs, unpredictable schedules, low wages, high turnover, and limited opportunities for advancement relative to the number of entry-level jobs. The industries in which the largest numbers of youth and young adults work include food services and drinking establishments; retail (in particular grocery, clothing, and department stores); schools; health care and social service institutions; leisure, arts and entertainment; and amusement and recreation.<sup>5</sup>

Engagement in self-employment, at least as a primary form of work, is another area where the employment picture for youth varies substantially from that of older adults. Data from the Bureau of Labor Statistics (BLS) shows that in 2017, 8.9 percent of the labor force was self-employed. However, among youth and young adults, self-employment rates were much lower, at only 1.4 percent of those 16-19 years of age and 2.1 percent of those 20-24 years of age.<sup>6</sup> The BLS May 2017 Contingent Worker Supplement similarly found that 0.89 percent of workers age 16-19 and 2.3 percent of those between 20 and 24 worked as independent contractors. This compares to 7.6 percent of the total workforce age 25 and above.<sup>7,8</sup> Data from the Global Entrepreneurship Monitor reveals a similar picture, with only two percent of 18 to 24 year-olds engaged in an established business.<sup>9</sup> Perhaps not surprisingly, youth

and young adult participation in online platforms (sometimes referred to as the gig economy) is slightly higher than that of workers ages 45 and above, but still below that of workers age 25-44. Research by the JPMorgan Chase Institute found that in October 2017, 1.8 percent of Chase account holders between the ages of 18 and 24 received income from online platforms.<sup>10</sup>


Although rates of formal self-employment are low among youth and young adults – particularly as a primary source of employment – there is some evidence that many youth engage in informal self-employment, and that a substantial percentage of them are pursuing some form of entrepreneurial activity. For example, a 2010 analysis of data from the National Longitudinal Survey of Youth (NLSY) found that when the definition of self-employment was expanded to include work in up to five current or recent jobs (rather than solely the current job in which the individual spent the most hours), rates of self-employment were substantially higher.<sup>11</sup> Data collected through the 1997 National Longitudinal Survey of Youth found that in that year (1997) 48 percent of youth age 16-19 engaged in “freelance” work, mostly providing babysitting and lawn care services.<sup>12</sup> And the Global Entrepreneurship Monitor’s 2016 survey found that 11 percent of those between 18 and 24 years of age were engaged in some sort of entrepreneurial activity, and 12 percent had the intention to engage in entrepreneurship.<sup>13</sup>

**Table 1: US unemployment percentage rate by age and race, Quarter 3 2018**


	All races			White			Black or African American			Asian			Hispanic or Latino		
	All	Men	Women	All	Men	Women	All	Men	Women	All	Men	Women	All	Men	Women
<b>Total labor force, 16 years and over</b>	3.9	3.6	4.1	3.4	3.2	3.7	6.5	6.5	6.4	3.3	3.4	3.1	4.5	3.8	5.5
<b>16 to 19 years</b>	12.8	13.9	11.6	11.2	12.1	10.3	20.8	25.3	16.7	12.0	9.5	14.5	16.4	17.3	15.5
<b>20 to 24 years</b>	6.9	7.2	6.6	5.8	6.2	5.5	10.9	11.3	10.6	8.8	8.8	8.9	6.4	6.5	6.3
<b>25 years and over</b>	3.1	2.8	3.5	2.8	2.5	3.2	5.3	5.1	5.4	2.6	2.8	2.4	3.6	2.8	4.7

Source: US Bureau of Labor Statistics. Accessed December 6, 2018. [https://www.bls.gov/web/empst/cpsee\\_e16.htm](https://www.bls.gov/web/empst/cpsee_e16.htm)

The YEF sites are seeking to build on the entrepreneurial aspirations and informal work experience of the youth and young adults in their communities by incorporating entrepreneurship pathways into their collaboratives. However, because few, if any entrepreneurial development programs have targeted or worked with opportunity youth, they are developing new programs, partnerships and pathways. The remainder of this paper explores potential to adapt existing fields of practice to the needs of opportunity youth, how their designs and outcomes align with the needs of opportunity youth, and how YEF sites are piloting efforts to build these pathways.



***“This paper explores the potential for using entrepreneurship to engage and create pathways for opportunity youth, by examining what is known about practice and experience in existing entrepreneurship programs, and by sharing emerging models for creating and adapting entrepreneurship programming specifically targeted to opportunity youth.”***



# Chapter 1

## *The Entrepreneurial Development Landscape and Opportunity Youth*





**A**cross the US there are well-established organizations and fields of practice that work to build entrepreneurial skills and to support entrepreneurs in launching and growing their firms. These include the youth entrepreneurship field; business development organizations that provide business advice and skill development, capital and connections to entrepreneurs; experiential and social enterprise models; and postsecondary entrepreneurial education. There are distinct but well-developed fields of practice in both youth and adult entrepreneurship. The designs and anticipated outcomes of these fields differ, based largely on where their targeted participants are in terms of their educational and career development. Youth entrepreneurship programs are typically school-based and focus on keeping youth engaged in school and providing them with skills that support their success in higher education and their future careers. Adult entrepreneurship programs, in contrast, are geared to participants' immediate goal to create and operate a business to generate income and/or create wealth for themselves and their families. Experiential and work-based entrepreneurship models engage participants in simultaneously building occupational and entrepreneurial skills and experiences. Postsecondary entrepreneurship education programs are geared toward a credential or degree in entrepreneurship. Each of these approaches differs in the content and activities they offer and the outcomes they expect for their participants. With the exception of experiential and social enterprise programs, these fields have typically not engaged opportunity youth.

However, research on these fields indicates that some – particularly the youth-focused programs – help their participants develop skills and attitudes that could be of great value to opportunity youth. And there are organizations working to focus their services to young adults, including opportunity youth. Below we lay out the models and identify their connections and potential value to opportunity youth.

## Youth entrepreneurship education programs

Entrepreneurial programs targeted to youth have a substantial history in the US. Perhaps the longest-running program is Junior Achievement, which incorporates entrepreneurship content into its programs that use experiential learning to support school-age youth in preparing for successful careers. Other large-scale international organizations include the Network for Teaching Entrepreneurship (NFTE) and YouthBiz. In addition, there are many more localized organizations that offer and include entrepreneurship content as part of their services for youth. A recent survey of youth development organizations conducted by the Aspen Institute's Economic Opportunities Program found that 24.5 percent of organizations that served youth age 14 to 18 and 27.7 percent of those serving young adults between 19 and 24 provided some form of entrepreneurship programming.<sup>14</sup>

While there are variations among the approaches used in the youth entrepreneurship education field, the common element is that they use an education model, and most are school-based. The programs are organized around a structured curriculum that includes content on key behaviors and skills important for success as an entrepreneur. These include noncognitive skills such as problem solving, risk taking, perseverance, self-esteem and self-efficacy. For example, NFTE has defined the following key elements of an entrepreneurial mindset: future orientation, comfort with risk, opportunity recognition, initiative and self-reliance, communication and collaboration, creativity and innovation, critical thinking and problem solving, and flexibility and adaptability.<sup>15</sup> Programs also include business and management-related content in areas such as financial literacy, marketing and sales.

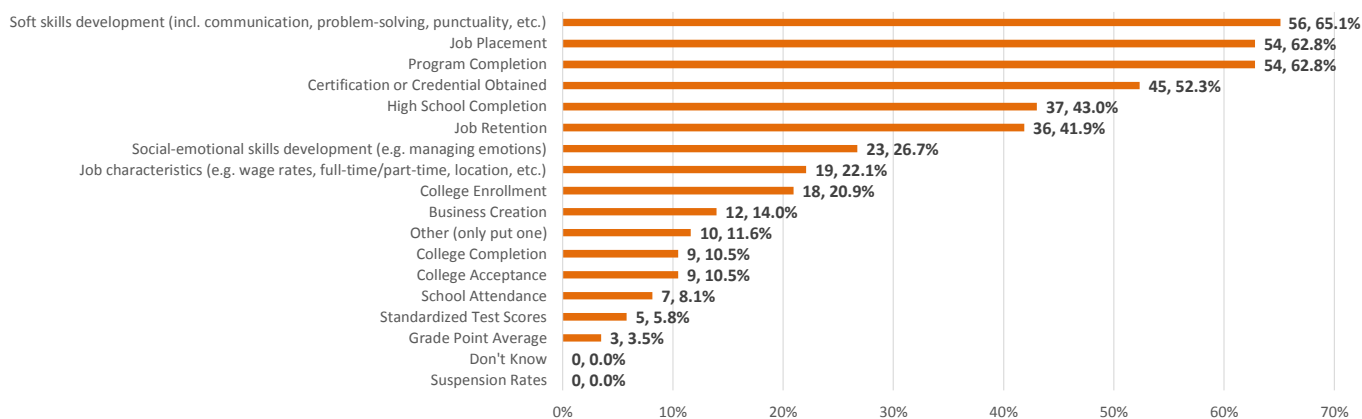
In understanding the role and potential value of youth entrepreneurship education programs in serving opportunity youth, it is important to recognize that their

primary goals are to promote youth engagement and attainment in education, and to develop skills that can support them in their careers. While many engage youth in developing and pitching business ideas, and in some cases in starting ventures, their primary goals do not focus on creating sustainable businesses. This is evidenced by the impacts (and impact metrics) that the major youth entrepreneurship programs promote on their web sites and promotional materials, which include measures related to school success, high school graduation and college matriculation. It also comes through in recent survey research conducted by the Aspen Institute’s Economic Opportunities Program, which found that relatively few youth-serving organizations that provide entrepreneurship services included business creation as one of their key measure

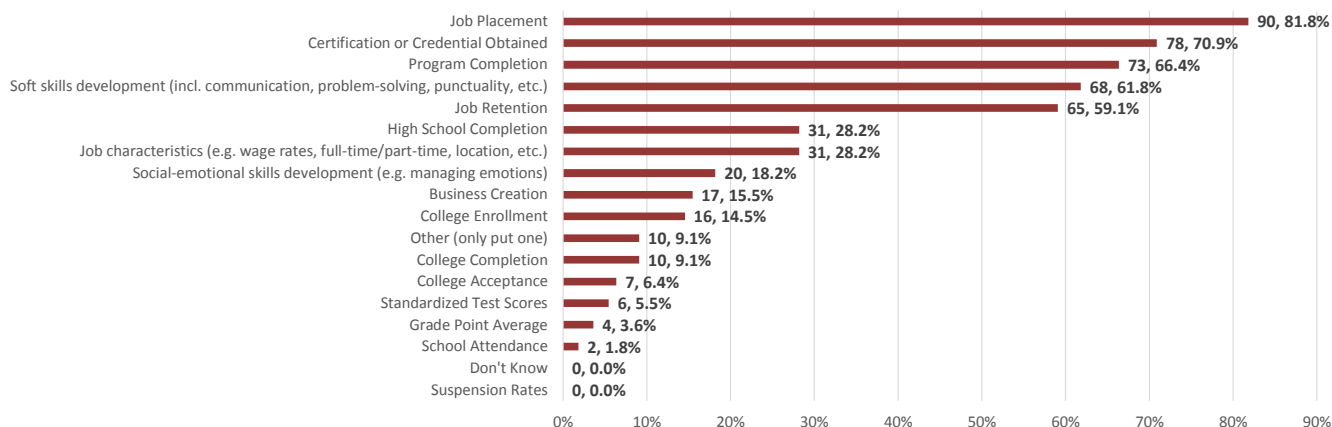
of program success. Among these organizations, programs serving youth age 14 to 18 indicated that their primary outcomes of success were soft skills development, job placement, program completion and achieving a high-school degree or other certificate or credential. Among those serving youth adults age 19 to 24, the primary outcome metrics were similar, with job placement and credential or certificate completion ranking higher than soft skills development as outcomes goals.

Most of the data on the effectiveness of youth entrepreneurship education programs focuses on these relatively short-term program outcomes, particularly high school drop-out and completion rates and college matriculation rates. The exceptions to this are the

Programs/Organizations that Provide Entrepreneurship Services to Participants Ages 14 – 18 that Indicated Most Important Measures of Effectiveness/Success (Frequency and Percentage of Respondents Reporting) (n = 86)



Programs/Organizations that Provide Entrepreneurship Services to Participants Ages 19 – 24 that Indicated Most Important Measures of Effectiveness/Success (Frequency and Percentage of Respondents Reporting) (n = 110)



***“In understanding the role and potential value of youth entrepreneurship education programs in serving opportunity youth, it is important to recognize that their primary goals are to promote youth engagement and attainment in education, and to develop skills that can support them in their careers.”***

extensive base of evaluation of NFTE programs, and long-term follow-up surveys that have been conducted of both Junior Achievement and NFTE graduates.

Several of the outcomes of youth entrepreneurship programs are particularly salient for opportunity youth. Given that the goals of the OYF communities are to reconnect youth to school or work, the success of youth entrepreneurship programs in terms of high-school graduation and college matriculation rates is important. Second, the long-term follow-up surveys of Junior Achievement and NFTE graduates found that their alumni had higher rates of business ownership than the general population. A survey of NFTE alumni published in 2013 found that 22 percent of respondents were self-employed;<sup>16</sup> a Junior Achievement alumni survey conducted in 2016 found that 34 percent of respondents were involved in business ownership.<sup>17</sup> To the extent that programming targeted to opportunity youth can achieve this outcome, it opens a pathway that can lead to upward mobility – as research demonstrates that business owners have higher levels of wealth and income than non-owners. For example, an analysis of data from the Survey of Consumer Finances found that in 2004, families in which the head of the household was self-employed had a median net worth five times that of households in which the head worked for someone else.<sup>18</sup> Similarly, an analysis of data from the National Longitudinal Survey of Youth found that an additional year of self-employment was positively correlated with economic outcomes in terms of family income, individual income, and family net worth.<sup>19</sup>

Second, research shows that as our labor market has become more focused on service-oriented than production jobs and on nonroutine tasks, noncognitive skills are increasingly important to success in the labor market.<sup>20</sup> Noncognitive skills are defined by Kautz, Heckman et al as “personality traits, goals, character, motivations, and preferences that are valued in the labor market, in school, and in many other domains.”<sup>21</sup> They are also sometimes referred to as “soft skills” or behavioral, emotional or social skills. There is some evidence that youth entrepreneurship programs can yield improvements in these skills. For example, studies of NFTE participants in Boston-area high schools found increases in the extent to which they initiated and took leadership in activities, and in their internal locus of control, relative to comparison group students.<sup>22</sup> Such outcomes would be of value to opportunity youth as they look to build career pathways, but also in terms of the OYF collaborative’s aspiration to support youth in taking on leadership roles in their communities.

Of course, the key question is whether the above outcomes of these programs can be realized for opportunity youth. Doing so will require connecting and adapting largely school-based models to youth who are not engaged in school, including layering in additional supports such as case management and stabilization supports that can mitigate or remove the barriers that have led to the disconnection experienced by opportunity youth.

## Business Development Models

Business development programs provide a focused and often multifaceted set of services designed to help individuals to launch, strengthen and/or grow a business. The services they provide take a range of forms, including business development training (in-person or online classes that cover a range of topics related to business ownership, often including business planning); one-on-one consulting; coaching or mentoring services that help would-be entrepreneurs to address specific business issues or progress in implementing their business plans; incubation or acceleration that provide access to space, equipment, and advice to entrepreneurs; and lending and credit programs that provide access to business capital. There are likely more than 1,000 such organizations across the US; they include the Small Business Development Centers, which are funded in part by the US Small Business Administration and often housed at postsecondary education institutions including community colleges; community-based microenterprise development and community development financial institutions (CDFIs); incubators and accelerators focused on supporting high-growth firms, which may be located on community college or college campuses; and more. Among these various models, the most relevant are the community-based microenterprise development organizations and CDFIs, as their focus on inclusion and equity and their target populations – which typically include women, people of color, and low-income individuals – align most closely with opportunity youth.

Business development programs predominantly serve older adults – those age 35 and above – rather than young adults in the opportunity youth age demographic.<sup>23</sup> As we note above, in the US rates of self-employment increase with age, with the highest rates of self-employment occurring in older adults. This is because most business owners build their ventures around knowledge and skills developed through their educational and work experiences. They also typically rely on savings and financial resources accumulated

through their working lives – savings, home equity, and an established credit score. While nonprofit alternative lenders support entrepreneurs who have limited financial resources, and provide business management supports and advice, they rely on the entrepreneurs themselves to have the industry or occupational knowledge and skills to operate their business – whether these be in hair care, cooking, coding, making clothes or jewelry, child care, landscaping, and so forth. Because most youth and young adults have limited work experience, many have not yet had time to develop these skills or areas of knowledge.

Additionally, business development programs are measured largely in terms of the numbers of businesses they create, stabilize or help to grow; the number of jobs that those firms create; the economic impact that the business has for the owner and her or his family; and in some cases the tax revenues they generate. For that reason, most organizations focus on would-be entrepreneurs that have a strong likelihood to succeed in starting and growing a business. Because young adults (those under 25 or even 30) generally have less occupational and industry experience and lower credit scores, they are generally seen as less attractive clients for business development organizations. This is not to say that business development organizations will not serve them, but rather that they quickly assess whether a young adult possesses the skills to implement her business idea. If they do not, they will often refer her to another organization or suggest a path that will enable her to develop the necessary skills.

Similarly, microfinance providers also face challenges in serving youth and young adults. Most provide loans rather than grants and focus largely on individuals who are already in business and have demonstrated the ability to generate revenues that can be used to repay the loan, rather than on start-ups. In some cases, wages from a second job or family member can also be included in determining the ability of a borrower to repay. Many microlenders (as well as traditional financial institutions that provide business loans and/or credit cards) will



require youth under 18 to have a co-signer for a loan, the co-signer must demonstrate the ability to repay the loan if the primary borrower cannot.

Most lenders will also review an applicant's credit score and credit report. Microlenders are more flexible in lending to borrowers with lower credit scores, or those with no or thin credit files. However, at larger loan levels (above, for example \$10,000 to \$15,000) most lenders will want applicants to have a credit score. Because they lack credit scores and histories, the most appropriate types of capital for youth and young adults may be grants and credit-building loans (credit building loans are very small consumer loans, often between \$300 and \$2,000 that help borrowers to build a credit history).

Although most business development and microfinance organizations do not serve large numbers of youth, a few organizations have chosen to target and structure business development services specifically to young adults. Examples of these include YouthBusiness USA (YBU, based in Oakland, California, but offering services nationally through its digital platform [skysthelimit.org](http://skysthelimit.org)) and City StartUp Labs (located in Atlanta, Georgia, which targets millennials and returning citizens). Some microenterprise and business development organizations, including ASSETS Lancaster and COFECC in Puerto Rico have developed pilots or specialized programs focused on young adults.

Some of these organizations have found that the youngest of young adults – those in their late teens or early 20s – start businesses in a fairly narrow range of industries that include clothing (design and sales), food-related, child care and landscaping services, and construction. These businesses are based on skills and knowledge they have picked up from family members, creative interests they engaged in as children or young adults, or specialized market knowledge they may have (for example, young adults design and sell clothing targeted to their peers, whose tastes and preferences they have insights into). In some of these industries,

technological advances have lowered the costs of entry (for example, it is relatively inexpensive to access firms that can print designs on or manufacture relatively small quantities of custom apparel). While this development may make it easier for youth with limited financial resources to start their business, it has also increased competition that can make it harder to grow and sustain these firms.

Some of these young-adult targeted programs are specifically designed to help participants advance their career development, whether or not their firm is successful in the long term. For example, YouthBusiness USA provides each participant with both a business advisor and a mentor. While the former focuses on issues related specifically to the business venture, the mentor's role is to support the entrepreneur more broadly in pursuing his or her personal and career goals. YBU has found that its participants are in demand among employers – especially small business owners – who value their business start-up efforts and experience. Although many business development organizations believe that their services provide valuable labor-market experience for older adults, they are less likely to view employment-related outcomes as a primary metric of success.

Samaschool is another organization with a strong emphasis on serving young adults. Samaschool is distinct from most business development or entrepreneurship organizations in that it focuses on independent workers or freelancers, many of whom are engaged in or seeking supplemental or part-time self-employment. Samaschool partners with workforce organizations to provide between four and 10 hours of training (delivered in person or virtually) on topics such as securing freelance work, managing life as a freelancer and career planning. Samaschool also provides tools and links to additional resources for independent workers.

Data from Samaschool's 2017 alumni survey indicates that 51 percent of its participants are young adults between the ages of 16 and 24, and it has a specialized

***“Business development programs provide a focused and often multifaceted set of services designed to help individuals to launch, strengthen and/or grow a business.”***

version of its training that includes both examples of occupations and examples of particular relevance to young adults in the early stages of their careers. The majority of its alumni, 59 percent, were unemployed when they began the program. Fifty-three percent were engaged in some type of freelance work at the time of the survey, and they earned an average of \$9,000 – or \$1,800 per month – from that work over an average of five months. Fifty-three percent of alumni indicated that they were freelancing by choice rather than out of necessity; this compares to 63 percent of workers nationally who indicate they freelance by choice.<sup>24</sup>

## **Experiential and social enterprise entrepreneurship models**

Experiential and social enterprise entrepreneurship models aim to build occupational skills along with knowledge and experience related to business ownership. The focus is on getting participants – typically youth and young adults – engaged in work opportunities that build industry, workplace, and business management skills and experience that can translate into either business ownership or wage employment. These social enterprises are a variant of employment social enterprises – which work to build business and workplace skills and experience in a setting that supports the specific needs of individuals with barriers to employment, including the homeless, individuals with disabilities, incarceration, mental illness, and limited education – in that they offer exposure to business management as well as to occupational skills and experiences.

One such organization is the Detroit Food Academy (DFA), which offers food-based experiences for youth, seeking to keep them engaged and succeeding in school, and prepare them to thrive in the future. DFA offers a school-year program in which students develop culinary, nutrition, shopping, and event planning skills. Students are mentored by a Detroit chef. DFA’s summer leadership program provides paid internships that enable participants to build additional skills and knowledge and spend one day a week working in their mentor chef’s business. The advanced leadership program participants work together to develop their own food rooted project. DFA’s participants also can work at Small Batch Detroit, its social enterprise that makes and sells three food products: Mitten Bites granola bars, the Pop Shop, and Slow Jams gourmet jams.

Homeboy Industries is a Los Angeles-based organization that provides gang intervention, rehab, and reentry services to over 10,000 former gang-involved and previously incarcerated youth and young adults. Launched in 1988 to provide training and job placement services to gang-affiliated young men, Homeboy Industries currently operates an 18-month job training and employment program combined with intensive case management, along with a range of community-based services including gang-affiliation tattoo removal, legal services, mental health and substance use support, as well as parenting, life skills, and other classes. Homeboy Industries also operates several social enterprises that often offer participants their first formal employment opportunity and a place to acquire soft skills and vocational skills such as solar panel installation, baking,

silkscreen printing, and catering. These social enterprises encompass a range of retail, food, and hospitality services including: Homeboy Electronics Recycling, Homeboy Bakery (storefront and wholesale), Homeboy Foods online grocery, Homeboy Industries online apparel store, Homeboy Silkscreen and Embroidery, Homegirl Café, Homegirl Catering, Homeboy Diner at Los Angeles City Hall, packaged grocery products, and farmers market stands.

More Than Words is a Boston-based organization that offers vulnerable youth – including youth who are in foster care, court-involved, experiencing homelessness, or out-of-school – paid retail management experience in a social enterprise setting. Youth manage two brick-and-mortar used bookstores and an online shopping platform, a café, and pop-up bookstores at community events. Participants receive training in all aspects of the enterprise, plan and host store events, and engage in activities that build leadership skills. Youth also receive intensive case management and a range of services – including two years of follow up for alumni – that aim to support them in addressing barriers to success and creating concrete action plans for the future. Data reported by More Than Words indicate that the model is making positive impacts in participants' lives: In 2018, 78 percent of More than Words graduates were working and/or in school for more than 30 hours a week, 94 percent of participants were on track to graduate high school, 51 percent pursued postsecondary education (compared to 40 percent of former foster youth nationwide), and 82 percent of participants worked in 2018, with 77 percent staying in their jobs for at least six months.<sup>25</sup>

While YEF communities have not formally engaged social enterprise and experiential models in their projects, given the above outcomes in helping vulnerable youth to engage and continue their educations and to build occupational and management skills, these approaches seem to have strong relevance for opportunity youth.

## Postsecondary entrepreneurship education models

Community colleges, colleges, and universities also offer academic courses of study in entrepreneurship.<sup>26</sup> In community colleges, these include individual courses in entrepreneurship, as well as credential programs. In some instances, courses and credentials in entrepreneurship are offered in tandem with occupational programs such as construction and building trades, CDL and trucking, digital design and graphic arts, with the goal of equipping graduates to work for themselves as well as for others. As of September 2018, almost 250 community and tribal colleges were members of the National Association for Community College Entrepreneurship.<sup>27</sup> Many colleges and universities also offer entrepreneurship education, often in centers housed within their schools of business or management. All these postsecondary programs target young adults, as well as older adults who may be continuing their education.

Most of the 24 sites in the Opportunity Youth Forum network have strong partnerships with community colleges as part of their overall opportunity youth collaboratives, and at least one YEF site has reached out to a local university with entrepreneurship programming to explore whether and how that program might contribute or connect to its entrepreneurship pathway. However, because opportunity youth have struggled in and are disconnected from school, collaboratives exploring partnerships with postsecondary education programs must evaluate whether, when, and how a more traditional academic curriculum and setting may fit with the needs of opportunity youth. The early experiences of the YEF sites suggest that engagement with the business development focused-efforts of community colleges (as referred to in the above section describing these models) rather than on the academic and credential offerings of these institutions may be the most appropriate fit.

# Chapter 2

## *Adapting Existing Entrepreneurship Models to Opportunity Youth*





**T**he YEF grantees are working to build entrepreneurship pathways into the existing portfolio of pathways they have created for opportunity youth. The drive to integrate entrepreneurship into these collaboratives stems from the expressed desire and interests of the youth themselves, the interest of the OYF communities in identifying and implementing multiple quality training and career pathways that respond to the needs of youth, and the commitment of the Forum for Community Solutions to support piloting of innovative pathways to family-sustaining careers and strategies that build wealth and local stake-building in communities, especially in low-income communities and communities of color.

In soliciting proposals, the Forum for Community Solutions asked the communities that are part of OYF to:

- Articulate a broad three-year vision for the role of entrepreneurship in their community and in their portfolio of pathways available to opportunity youth.
- Incorporate other core principles of OYF communities, including:
  - A focus on equity and inclusion
  - Design that fosters agency and self-determination for opportunity youth
  - A commitment to involve youth in the design and leadership of pathways
- Identify and work with a partner that could offer entrepreneurial training content adapted to the needs of opportunity youth. Training was included as a key part of the model in the belief that developing an entrepreneurial mindset and the noncognitive skills embedded in entrepreneurship

training have a strong value for opportunity youth as they seek to reconnect to education or employment.

- Develop a set of partners that could provide a full range of entrepreneurship supports, including mentors, business counseling and advice, and access to capital.
- Integrate other stabilization supports and case management services to address the needs of opportunity youth, who often have experienced or are experiencing multiple systems involvement, unresolved trauma and mental health issues, housing instability, justice system involvement, lack of secondary credentials, and other systemic barriers to reaching their full potential.
- Identify a set of collaborative goals, such as expanding the number of employer partners providing hands-on work experiences and the number of cross-sector partners providing programmatic and other supports to the participants, or in-kind or matching funding support to the overall initiative.

Ultimately, the goal of the YEF is to design, test, and identify conditions for implementing and potentially scaling innovative, collaborative approaches to designing pathways to entrepreneurship skill-building for opportunity youth.

## **Emerging pathways in the YEF sites**

As of November of 2018, the three participating sites had completed their first year of funding and implementation of their work under the YEF and have begun their second year of work with additional funding support from the Forum for Community Solutions and the Charles Stewart Mott Foundation. The following profiles describe how each site has designed a pathway that reflects the distinct economic context facing its

opportunity youth; the partners it has engaged; and the OYF core principles of equity and inclusion, agency and self-determination for opportunity youth, and youth engagement and leadership in the design and implementation of pathways.

### **Del Norte and Tribal Lands Opportunity Youth Initiative, Del Norte County, CA (Wild Rivers Community Foundation, backbone)<sup>28</sup>**

The Del Norte and Tribal Lands (DNATL) Opportunity Youth Initiative is a cross-sector, cross-system collaborative supported by the Wild Rivers Community Foundation that serves as the backbone organization for multiple collaboratives across the region and is an affiliate of the Humboldt Area Foundation. The opportunity youth initiative is intentionally woven into the DNATL Building Healthy Communities initiative, funded by The California Endowment that seeks to transform 14 California communities impacted by health inequities.

#### ***Reflecting the local context***

Del Norte County is a vast rural region in the northwest of California, with just under 30,000 people living in the area that is the focus of the opportunity youth-related efforts. In addition to Del Norte County, the collaborative's geography encompasses several tribal territories, including Tolowa and Yurok Tribes. According to Wild Rivers Community Foundation, the region was once home to a thriving economy, but the community is trying to rebuild after a prolonged period of decline in resource-based industries that used to be a primary source of local living-wage jobs. Entrepreneurship is therefore integral to the regional economic and community development strategy it is implementing as part of the broader Building Healthy Communities initiative, as well as to its opportunity youth strategy.

In its work under the YEF, the collaborative's goal is to

develop an entrepreneurship ecosystem that will make entrepreneurial education available to the whole community by integrating it into the school system and community college offerings; aligning tools and resources, such as makers' spaces, business training and technical assistance, mentorship, and seed capital; and creating a community-wide entrepreneurial culture and mindset. The collaborative recently implemented an empathy research project based on human-centered design principles that collected stories of opportunity youth and other community members through interviews and listening sessions. The project uncovered a pervasive lack of hope for the future as one of the reasons that local youth are disconnecting from school and meaningful work. The collaborative believes that entrepreneurship training can have an immediate impact by helping young people identify a stronger link between education and future career and life goals, increase personal efficacy, develop a range of workplace and other skills, and become inspired to creatively address community challenges.

The DNATL approach engages the whole community in envisioning the role of local entrepreneurship (including social enterprise) as a key driver of economic revitalization. Rural economic development strategies often seek to attract an investor or a large business from outside the community in hopes that they can "save" local jobs and grow their economy. By contrast, the collaborative is implementing a strategy that views local entrepreneurs and small business owners as primary drivers of the economy and seeks to invest in their development in order to build a more sustainable economy and a positive community-wide vision of the region's economic future.

#### ***Pathway partners and components***

The collaborative brought together partners that can drive integration of entrepreneurship skills development into the K-12 and community college systems, while also providing emerging entrepreneurs with business

***“Ultimately, the goal of the YEF is to design, test, and identify conditions for implementing and potentially scaling of innovative, collaborative approaches to designing pathways to entrepreneurship skill-building for opportunity youth.”***

launch training and technical assistance, mentors, and capital, marketing, and other support. Wild Rivers Community Foundation provides ongoing coordination of partners and funding for training and coaching of instructors in the entrepreneurship curriculum, which is rooted in the principles of human centered design. Additional partners include:

- **Del Norte County Schools**, which is seeking to integrate entrepreneurship training into career pathways instruction for students. Through the YEF, teachers will be trained in human-centered design and entrepreneurship education curriculum.
- **College of the Redwoods**, through its Adult Education department, sponsors and hosts the collaborative’s Youth Training Academy (YTA), a six-week applied learning academy organized around career tracks, which now also include entrepreneurship.
- **Workforce Center**, a key partner in the collaborative’s opportunity youth reengagement strategy, acts as a hub for private sector engagement in the YEF, matching mentors with youth and connecting youth with internships and paid work experiences.
- **Food Policy Council** provides support for the agriculture and food system career pathway, linking related businesses to youth to provide mentorship and coaching.

- **Redwood Voice**, a youth leadership and media network, provides continued training with youth age 10-24 in social innovation and entrepreneurship, storytelling and community organizing.

Opportunity youth have historically played a central role in collaborative efforts. Youth lead the design and implementation of the YTA, helped develop protocols and conducted interviews for the empathy research project, and play prominent roles as collaborative members. A core group of opportunity youth who have been trained in human-centered design principles is serving as a design partner for the entrepreneurship effort.

Together, these partners are creating an entrepreneurship pathway that includes:

- **Entrepreneurial Education**, which adapts the My Next Move curriculum, developed by ThinkPlace (DNATL’s partner in the empathy research project) based on human-centered design concepts pioneered by Stanford University’s Design for Change Center. This curriculum balances in-classroom education and project-based learning in which youth form teams to prototype microenterprises, all with support from a teacher/coach. As part of this process, youth are hosting “Deer Ears Tea Parties” during which they interview community members about economic development, challenges, and needs for specific products or services, and solicit feedback on their projects.

- **Mentoring and Private Sector Engagement**, coordinated through the Workforce Center and Wild Rivers Community Foundation, which formed partnerships with the private sector to provide youth with mentors, paid work experiences, and matching seed funding for their business ideas.
- **Financial Literacy and Life Skills Training**, integrated into the YTA, with guest speakers teaching topics such as building or improving your credit and understanding car insurance.
- **Side Hustle Club**, which brings together a cohort of aspiring young entrepreneurs to create a supportive peer network and discuss topics ranging from the “sharing economy” to how to use the internet to launch and market products without substantial upfront investment.
- **Becoming an Entrepreneurial Community**, a process which forms a critical aspect of the collaborative’s vision for the future of entrepreneurship in the region. This effort seeks to create a community-wide entrepreneurship ecosystem, culture, and mindset. The collaborative is convening a leadership group that reflects the diversity of the community to steer this process.
- Intentionally engaging Native American business leaders in conversations about community economic development needs
- Recruiting Native American leaders as mentors so that youth can see themselves in models of success from within their communities

To ensure that its curriculum is culturally relevant and reflects both youth input and indigenous traditions, the collaborative engaged a group of youth and community leaders from the Yurok and Tolowa Tribes and other community partners to redesign the social innovation curriculum. The cohort worked together to experience the training and then redesign it to better reflect community values and language. A significant change was made to the descriptions and imagery representing different modalities of design thinking to reflect indigenous culture and traditions. The stages of design thinking are: The Fire Starter (uncovering the context and identifying what change is needed; represented by the fire symbol), The Navigator (setting the direction and vision; represented by the salmon), The Listener (listening and building empathy; represented by deer’s ears), The Architect (designing the concept, represented by the crow), The Experimenter (trying, failing, and learning; represented by the beaver), and The Maker (getting the concept out to the community; represented by the bee).

### ***Embedding OYF key principles***

The DNATL effort is deeply rooted in the equity frame and seeks to center the needs of Native American youth in the pathway through several strategies:

- Delivering entrepreneurial training not only through the YTA (which had over 20 percent Native American representation in 2018), but also on-site at the Hoopa and Yurok Reservations in order to remove transportation barriers for youth who cannot travel to Crescent City (the county seat of Del Norte)

### **Roadmap to Peace, San Francisco, CA (Bay Area Community Resources, backbone)**

Roadmap to Peace is a cross-sector, cross-system collaborative co-led by Bay Area Community Resources (BACR) with the goal of improving outcomes for violence-involved opportunity youth. As a community-based organization with a 40-year history of supporting San Francisco residents through a variety of programs, including career pathways programs for opportunity youth, BACR was able to draw on input from young adults to encourage the collaborative to consider

entrepreneurship as a field that offers potential for economic mobility and self-determination for opportunity youth.

### ***Reflecting the local context***

While San Francisco is perceived as an entrepreneurial hub – particularly for technology and “gig economy” platform startups – the collaborative emphasizes that low-income communities and communities of color are being left behind in the city’s booming economy. Young people from these target communities in particular are unable to access tools, resources, social networks, and, critically, startup capital needed to launch and sustain a business. As a result, young entrepreneurs of color and from low-income communities are underrepresented in the city’s thriving entrepreneurial economy.

Furthermore, rising housing costs in the Bay Area are increasingly resulting in gentrification and push-out of low-income residents and residents of color from the city, not only dramatically changing the demographics of the city, but also affecting its long-term economic and sociocultural context and prospects. Roadmap to Peace and its partners designed its entrepreneurship initiative to respond to some of these challenges.

To this end, this initiative directly targets public housing residents in four housing developments, who are among the most vulnerable and marginalized young adults in the city and face multiple barriers to educational and economic success. Underpinning the intervention is the belief that if young adults in public housing can develop an entrepreneurial mindset and skillset and gain access to resources needed by emerging entrepreneurs (including startup capital), they can develop a stake in San Francisco through business ownership and opportunities to develop their assets.

In the short term, Roadmap to Peace seeks to connect youth to entrepreneurship training, resources, and supports that were previously inaccessible to them, while at the same time demonstrating the potential of

this model for scaling and wider application and creating a city-wide collaborative table that will focus on entrepreneurship. In the long term, the collaborative seeks to drive systemic and policy change to ensure that entrepreneurship resources and training are available to young people of color city wide, that there exists a strong commitment to investing in San Francisco’s low-income communities, and that there is greater equity in the way in which small businesses are supported by the city.

### ***Pathway partners and components***

With leadership and coordination from BACR, the Roadmap to Peace collaborative is partnering with the HOPE SF Initiative and other youth-focused local collaboratives including Back to the Future and the Phoenix project. The six foundational partners in the effort include:

- **HOPE SF**, a collective impact public housing and community development effort that “seeks to transform four of San Francisco’s most distressed public housing sites into vibrant, thriving communities through holistic revitalization” (while ensuring that current residents are not pushed out). In addition to providing a one-to-one funding match for the first year of implementation, HOPE SF is providing coordination and outreach and recruitment components of the program.
- **HOPE SF Champions**, a program created and run by BACR that provides youth leadership development training, workforce readiness and job skills training, and work experience, along with project-based learning to 15 young adults residing in HOPE SF housing sites. HOPE SF Champions lead the marketing and peer outreach, engagement and recruitment components of the project in order to recruit HOPE SF residents into the program. HOPE SF Champions are also responsible for infusing youth input into program design by



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participating in all planning meetings and making program improvement recommendations.

- **The Phoenix Project**, a collaboration between four youth-serving community-based organizations, which provides transitional age youth residing in HOPE SF communities with health, education, and employment services. The Phoenix Project is providing wraparound case management and supportive services to all participants, as well as ensuring that participants are continuing to engage in postsecondary education and/or additional workforce training.
- **The Network for Teaching Entrepreneurship (NFTE)**, which worked in collaboration with initiative partners and youth to adapt its curriculum to be contextually and culturally appropriate for opportunity youth residing in public housing. NFTE also trained youth facilitators to deliver the curriculum to their peers, ensuring that the training is delivered by young adults who come from the same communities and have similar experiences as program participants. NFTE is also providing ongoing advice and curriculum implementation support.
- **Renaissance Entrepreneurship Center**, an organization that seeks to “empower and increase the entrepreneurial capacities of socially and

economically diverse women and men and therefore strengthen communities through the creation of sustainable new businesses, new jobs, and the promotion of financial self-sufficiency.” Renaissance will adapt its curriculum to the needs of youth and deliver these trainings at the four HOPE SF sites, as well as provide coaching and advising to youth who are seeking to launch businesses.

- **Youth Business USA**, a Bay Area nonprofit organization that seeks to support young entrepreneurs who face significant barriers to business ownership by operating the [skysthelimit.org](http://skysthelimit.org) platform that connects young entrepreneurs with mentors, advisors, and resources. Youth Business USA will provide program participants who are ready to launch a business with advisors (who will teach the 14 key business development elements in the YBU’s Pathway to Business Ownership Model) and an opportunity to access YBU’s network of micro-lenders.

Together, these partners are implementing an entrepreneurship pathway that will provide the NFTE entrepreneurial mindset training adapted for opportunity youth and delivered by trained peer facilitators, which will also integrate financial education and credit building services; supportive services and case management to ensure that participants are staying on track to their overall educational and career goals; coaching and

advising from the Phoenix Project case managers who will help all participants develop individualized career plans; and, for youth who are committed to moving forward with entrepreneurship, additional coaching, mentoring, and resources from Renaissance and Youth Business USA.

### ***Embedding key OYF principles***

Roadmap to Peace’s explicit commitment to equity is exemplified by its intentional focus on young people of color who are low-income and further marginalized due to their residency in public housing. Additionally, the collaborative is authentically committed to youth voice, with young adults serving as critical partners in program design and implementation, working closely with NFTE to adapt the curriculum and delivering the curriculum to program participants. This commitment is already paying off: Recently, the collaborative secured \$20,000 in seed funding as part of a youth-led philanthropy grant administered by the Department of Children, Youth and Families. The funding is part of DCYF’s Youth Empowerment Allocation portion of its Children and Youth Fund (a voter-approved allocation of a portion of San Francisco property tax to support child- and youth-focused services). Youth entrepreneurs will have access to the seed funding when they complete all phases of the program and are ready to launch businesses.

### **Project U-Turn, Philadelphia, PA (Philadelphia Youth Network, backbone)**

Project U-Turn is a cross-sector, cross-system alliance led by the Philadelphia Youth Network (PYN), dedicated to increasing Philadelphia’s graduation rate and preparing young people for future opportunities. Launched in 2006 in response to Philadelphia’s drop-out crisis, Project U-Turn has been at the center of efforts that have resulted in a nearly 30 percent increase in the graduation rate, a launch of the multiple pathways to graduation system, and 30,000 reengagement opportunities for Philadelphia’s youth. PYN’s work is

grounded in the understanding that young people need access to both education and employment to prepare for future careers. In addition to Project U-Turn, PYN convenes and/or participates in several collaborative efforts focused on supporting opportunity youth in obtaining employment in growth sectors (Generation Work), increasing the number of career pathways for opportunity youth (the City Workforce Steering Committee), and addressing the citywide skills gap (WorkReady Philadelphia). PYN is leveraging these collaborative efforts to support the entrepreneurship pathway, as part of its broader efforts to test innovative pilots that support opportunity youth.

### ***Reflecting the local context***

Project U-Turn views the entrepreneurship initiative as another opportunity to address inequities in the local economy: While the Progressive Policy Institute named Philadelphia one of the top 25 cities for emerging startups,<sup>29</sup> and several city agencies and local universities have made strong commitments to supporting entrepreneurial pathways, most of these efforts are not focused on opportunity youth. Furthermore, according to the collaborative, while existing youth entrepreneurship programs in the city provide 1,500 opportunities – including summer work experience, career readiness programs, and access to incubators and accelerators – most of these efforts are targeting in-school youth and are not accessible to the city’s 45,000 opportunity youth.

### ***Pathway partners and components***

With leadership and coordination from PYN, the effort in Philadelphia is bringing together city partners that focus on expanding entrepreneurship opportunities with programs that serve opportunity youth, with the goal of infusing entrepreneurial education and “mindset” into youth development programs citywide. The foundational partners in Philadelphia include:

- **E<sup>3</sup> Power Centers**, created through the Youth Opportunity grant from the United States Department of Labor to provide wraparound, neighborhood-based services to help opportunity youth develop skills and transition to career pathways. E<sup>3</sup> stands for Education, Employment, and Empowerment, and the centers provide a range of services including basic literacy, GED classes, college and job readiness classes, social activities, health and parenting education, and paid internships and job placements. E<sup>3</sup> Power Centers are implementing the entrepreneurship pathway pilot with their participants.
- **The Philadelphia Department of Commerce** will leverage its partnerships with entrepreneurs in several sectors (including culinary, manufacturing, software development, and hardware engineering) to recruit employers to provide site visits, job shadowing, mentorship, and other hands-on learning opportunities to participants, as well as review curricula for alignment with their needs.
- **The Philadelphia Department of Human Services (DHS)** will provide in-kind support (through its funding of the E<sup>3</sup> Power Centers), help recruit system-involved youth to participate in the pilot, and recruit opportunity youth to participate in the evaluation of the pilot’s design and implementation.

Together, these partners are implementing an entrepreneurship pathway that provides:

- **The Job Opportunity Investment Network (JOIN)**, a public-private partnership that brings together employers, government, CBOs, and philanthropy to increase the number of Greater Philadelphia workers earning family-sustaining wages. In its role as a key partner in Generation Work, JOIN will align the entrepreneurship effort with the broader citywide plan for developing career pathways into specific sectors for opportunity youth.
- **The Network for Teaching Entrepreneurship (NFTE)**, which has recently expanded its locations in Philadelphia to support programs that serve opportunity youth, including accelerated high schools (alternative schools for students up to age 21 who have not completed a traditional high school degree) and, potentially, correctional facilities. NFTE is providing program design input, curriculum development and online resources, training and ongoing support for E<sup>3</sup> Power Center staff who are delivering the curriculum, as well as connections to local entrepreneurs.
- NFTE entrepreneurial mindset and business planning curricula adapted for opportunity youth (including preparation for earning an Entrepreneurship and Small Business credential)<sup>30</sup>
- Hands-on learning including career exposure, job shadowing and internships
- Exposure to leaders in the local entrepreneurship community
- Access to business competitions and incubators through StartupPHL and micro-financing for some entrepreneurship projects through PYN
- A sectoral approach to pipelines into careers in specific growth industries

In the short term, through its leadership and/or participation in three major citywide initiatives (Project U-Turn, Generation Work and the City Workforce Steering Committee), PYN seeks to pilot a program that infuses entrepreneurial education and supports into existing career pathways at E<sup>3</sup> Power Centers and provides opportunities to leverage and strengthen partnerships and support progress towards citywide goals for opportunity youth. Over the long term, the collaborative will seek to scale the pilot to connect more opportunity youth to entrepreneurship education by embedding it into existing program models, as well as by adding a portfolio of summer and year-round internships in key growth sectors to enhance citywide pathways offerings for opportunity youth.

### ***Embedding core OYF principles***

Driven by a dual focus on data and equity, PYN has historically focused on underserved communities and youth. Project U-Turn has commissioned several research reports that disaggregate secondary, postsecondary, and career outcomes of youth by race, gender, and ZIP code. Project U-Turn used this data to help drive youth-serving systems to create targeted outreach strategies and opportunities for several specific populations of vulnerable youth facing disproportionate systemic barriers to success, including system-involved youth, boys and men of color, and pregnant and/or parenting youth. In designing its entrepreneurship pathway, the Philadelphia site continued to infuse an equity lens in order to identify and address systemic race, gender, and other inequities in access to entrepreneurship pathways. Additionally, the collaborative will solicit and integrate input from opportunity youth into program design and evaluation on an ongoing basis.



# Chapter 3

## *Early Insights From Building Entrepreneurship Pathways for Opportunity Youth*





**D**uring the initial 12 months of the YEF, each collaborative set out to design a pilot pathway in collaboration with a curriculum provider partner and test it with a small number of opportunity youth. As the above profiles make clear, in each site the pathway combines some form of entrepreneurship education (adapted specifically to the needs of opportunity youth) and hands-on entrepreneurship experience aimed at engaging youth and building skills. The pathways engage additional partners that can provide participants who want to pursue a business concept with a range of resources, including business development support, seed funding, and mentorship/advising. Each community has also engaged partners that support its overall opportunity youth pathway and youth development goals (including stabilization supports, case management, leadership development, life skills education, and/or connection to additional education and career supports), as well as its broader collaborative vision for entrepreneurship in their communities. At this time, each of the sites has offered at least one cycle of entrepreneurship training and is working to build out the connections and resources for participants who want to pursue a business idea. Sites are also reflecting on their experience with the first training to identify needed changes and improvements to both the training itself and the pathway. From this initial experience, they have identified the following initial insights:

**Initial feedback from participants validates the assumption that entrepreneurship pathways provide value by engaging opportunity youth and developing noncognitive skills.**

The YEF sites were asked to begin their pathways by creating an entrepreneurial training program for opportunity youth. This approach was based on two premises: that a focus on entrepreneurship would be compelling to youth and build upon their existing

experiences with informal work, and that skills and practices consistent with an “entrepreneurial mindset” would be valuable in helping youth to reconnect to and succeed in school or employment. Initial feedback from the sites has validated these premises. All three sites have seen participants express passion for and a commitment to this work. After experiencing the design thinking and innovation curriculum in DNATL, youth have expressed interest in social entrepreneurship and community improvement projects, have thought more seriously about transitioning to college, and have developed an interest in community organizing. Staff at the E<sup>3</sup> Power Centers in Philadelphia noticed a very different dynamic among students in the entrepreneurship class – they heard them talking about the class outside of the classroom (unlike with traditional academic classes such as math and English). In San Francisco, participants from the first cohort of youth are assisting with outreach and program retention for the second cohort. Participants and collaborative staff have also expressed that youth have found great value in developing and practicing noncognitive skills related to self-efficacy and persistence, innovation and creativity, communication and collaboration, and risk-taking and response to failure.<sup>31</sup> YEF sites stress that developing an understanding and acceptance of failure as a normal part of entrepreneurial pursuits (and day-to-day life) is especially important for opportunity youth, who are often dealing with trauma and negative experiences of being pushed out from education and workforce settings. To this end, all sites report that they have worked to create supportive spaces in which participants feel safe in taking risks and experimenting, even if their ideas do not succeed.

**Entrepreneurship training must be adapted to the circumstances and needs of opportunity youth.**

Each site has spent considerable time working with its curriculum partner to adapt the content and delivery to

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the needs of its opportunity youth. Training has been adapted in several ways. First, all three sites are working with curricula designed to be used in school settings. Thus, adaptations have been to abbreviate and/or condense the content to fit within the setting where it is being delivered. For example, Philadelphia’s E<sup>3</sup> Power Centers found it necessary to break the NFTE content into two distinct components in order to fit with the 30 to 35 hours of instructional time available to their participants during any course cycle.

The sites also found co-creation of curriculum adaptations to be important and impactful. Curriculum partners brought important content knowledge and tools, staff from collaborative partners brought experience in the needs of opportunity youth (for example, how to best work with youth who have experienced trauma) and the requirements of their institutions (such as amounts of instructional time), and youth and community leaders brought knowledge of how to make the training relevant and respectful of their age and culture.

Although sites found co-creation to be important, it also meant the adaptation process took longer than expected. Simply coordinating the schedules and availability of all parties takes time. Sites found that the process of training the trainers also required significant time, although many explicitly built time into the training

process to allow for reflection, further adaptation, and improvement of the training itself. Early experience also suggests that it is valuable to train enough individuals to deliver the content to allow trainers to have colleagues who they can work with to troubleshoot challenges and to collaborate around delivery and program refinement. The sites also found ongoing technical assistance and support from their curriculum partners to be valuable.

At this juncture, the sites are continuing to reflect upon how to improve their training offerings. For example, San Francisco is considering whether to find new locations to offer the training to accommodate the schedules and needs of older youth who have jobs and therefore are more challenged to travel to and spend time in the training. Two of the sites – DNATL and San Francisco – have also concluded that smaller cohorts of participants may result in more effective experiences.

### **Opportunity youth of different ages want and need different options within an entrepreneurship pathway**

Although each of the sites believes that the entrepreneurial mindset skills that are the focus of youth entrepreneurship training programs have strong value for opportunity youth, it has also become clear that training may not be the correct entry point for all

opportunity youth – particularly those who are older, and thus may have a greater need to generate income and a more solid basis for starting their own business. At least one of the sites has found that some of the older participants in the entrepreneurial training program became frustrated – they were strongly committed to starting a business, and wanted programming focused on that goal. Thus, it has decided to focus its next round of training on a cohort of teens to the pilot to test the effects of early engagement. At the same time, as it becomes clear that most younger participants in entrepreneurial training will likely not be ready to start a business upon completion, sites are thinking about how to best connect them to job readiness and occupational skill development services. For example, DNATL’s hope is that students who experienced the innovation curriculum at the Youth Training Academy will enroll in classes at the College of the Redwoods (they will be tracking this information).

### **It has been challenging to find financing and business development resources to support youth and young adults who want to launch a business.**

The YEF sites envisioned that their pathways would connect participants to business development services after they completed their initial entrepreneurship training. Participants who wanted to pursue a business idea would then be provided with additional targeted supports. Currently, the grantees are in early stages of developing their relationship with business development providers. In doing so, they are confronting the issue of whether and to what extent these programs can adapt their services to the needs of opportunity youth – or alternatively, whether they will need to limit their focus to organizations with expertise and services that fit the needs of opportunity youth.

The most significant issue seems to be the lack of financing options for youth and young adults. This may

not be surprising – owners of startups are always challenged to find financing, and this is particularly true for startups that lack a credit history or experience in the industry. To address this issue, San Francisco has secured a grant that it will use to provide small startup grants to participants who make progress toward launching their firms.

Among the broader OYF network, there are also varying assessments of the value of program models that focus preparing people for independent and gig work. Some in the broader OYF network have questions about the value of connecting opportunity youth to freelance or gig economy work because of concerns about the quality of that work. In this sense, these views mirror those of other youth development organizations surveyed by the Aspen Institute; 41 percent of respondents indicated that their organization’s staff or funders had concerns about the quality of the work offered in nontraditional jobs. However, others see these models as providing value by connecting young adults to income-generating activities while helping them to build some entrepreneurial skills.

# Conclusion





**A**t one year into the development of their entrepreneurship pathways, it is early to draw conclusions or lessons from the efforts of the YEF sites. But their experiences to date do provide insights worth sharing with those interested in understanding the role that entrepreneurship might play in re-engaging and reconnecting opportunity youth. Perhaps the most important insight to date is that the primary value of entrepreneurship for opportunity youth does not lie in reconnecting them to work through the creation of their own firms. Rather, it is in using entrepreneurship as a means to engage disconnected youth and to provide them with skills that strengthen their ability to persist and thrive in the labor market and/or in an educational setting. To be sure, the hope is that some youth may create their own businesses and jobs in the short term, and that in the longer term some will start businesses that can be the route to higher levels of income and wealth than they might accumulate solely through wage employment. But in the short term, these pathways are primarily about developing an entrepreneurial skills and mindset, with a secondary focus on business creation.

A second insight is that while there are well-established fields of practice in entrepreneurship, none of them are designed to meet opportunity youth where they are. Thus, while pathways can engage with and connect to these fields, adaptation is needed to ensure that they meet the needs of and best support opportunity youth. Early experience suggests that the adaptation process will take substantial time and effort, but also yield important value.

As the YEF sites continue to build and engage opportunity youth in their pathways – and as other collaboratives and communities work to develop entrepreneurship pathways of their own – there are additional questions to be explored. These include:

- What are the typical experiences of youth who engage in entrepreneurship pathways? What skills do they develop, and what do they find value in?
- What are the actual, achievable outcomes for youth in terms of skill and career development (connections to employment and ongoing education as well as entrepreneurship)?
- What are the characteristics of youth who choose to enter entrepreneurship pathways and are there patterns in the characteristics of youth who choose varying on- and off-ramps along those pathways?
- What level of scale might make sense and be possible for these pathways? For which parts of the pathway? For example, for how many youth is introductory training in entrepreneurship valuable and possible? For how many is access to business startup capital needed and feasible?
- What types of businesses do youth plan and start, and why?
- What can we learn about how youth and youth adults balance their need to earn income while working to launch a business?

We look forward to exploring these questions with the YEF sites as they continue to build their pathways, and to engaging with others working to explore the value of entrepreneurship for opportunity youth.



## Endnotes

<sup>1</sup> Sarah Burd-Sharps and Kristen Lewis, “More than a Million Reasons for Hope: Youth Disconnection in America Today,” (Measure of America: (Washington, DC, March 2018), 1, 5-6, 17-18, 24. <http://www.measureofamerica.org/youth-disconnection-2018/>.

<sup>2</sup> Burd-Sharps and Lewis, 5, 24.

<sup>3</sup> The Opportunity Youth Forum’s work focuses on youth and young adults between the ages of 16 and 24. However, it is important to recognize that partners in the OYF collaboratives may choose to target and serve youth and young adults of different ages.

<sup>4</sup> US Bureau of Labor Statistics, accessed November 27, 2018. [https://www.bls.gov/web/empsit/cpsee\\_e16.htm](https://www.bls.gov/web/empsit/cpsee_e16.htm).

<sup>5</sup> US Bureau of Labor Statistics, accessed December 7, 2018. <https://www.bls.gov/cps/cpsaat18b.htm>.

<sup>6</sup> US Bureau of Labor Statistics and US Census Bureau, Current Population Survey, Table 19, Employed persons by class of worker, industry, age, sex, race, and Hispanic or Latino ethnicity, Annual Average 2017.

<sup>7</sup> Calculations based on “Contingent and Alternative Employment Arrangements,” Table 5: Employed workers with alternative and traditional work arrangements by selected characteristics, May 2017, accessed November 2018. <https://www.bls.gov/news.release/conemp.t05.htm>.

<sup>8</sup> BLS data on self-employed workers and independent contractors reflect individuals for whom this is their primary source of employment.

<sup>9</sup> Donna J. Kelley, Abdul Ali, Candida Brush, Andrew Corbett, Phillip Kim, and Mahdi Majbouri, Global Entrepreneurship Monitor United States Report 2016, (Babson Park, MA: Babson University, 2017), 28. <http://www.babson.edu/Academics/centers/blank-center/global-research/gem/Documents/GEM%20USA%202016.pdf>.

<sup>10</sup> Diana Farrell, Fiona Greig and Amar Hamoudi, “The Online Platform Economy in 2018: Drivers, Workers, Sellers, and Lessors,” (Washington, DC: JPMorgan Chase Institute, 2018): 22. <https://www.jpmorganchase.com/corporate/institute/document/institute-ope-2018.pdf>.

<sup>11</sup> Yasuyo Abe, Hannah Betesh, and A. Rupa Datta, “A Longitudinal Analysis of Early Self-employment in the NLSYs,”. (Washington, DC: US Small Business Administration Office of Advocacy, August 2010), A-8. [https://www.sba.gov/sites/default/files/rs367tot\\_0.pdf](https://www.sba.gov/sites/default/files/rs367tot_0.pdf)

<sup>12</sup> Calculated from Bureau of Labor Statistics, National Longitudinal Survey of Youth 1997 data, NLS Investigator, [www.nlsinfo.org](http://www.nlsinfo.org).

<sup>13</sup> Kelley, Ali, Brush, Corbett, Kim. and Majbouri, “Global Entrepreneurship Monitor United States Report 2016,” 18.

<sup>14</sup> Data from unpublished results from a 2017 survey of 389 youth-serving organizations conducted by the Aspen Institute’s Economic Opportunities Program. The survey also found that 12.1 percent of organizations serving 14-18 year-olds and 20.4 percent of those service 19-24 year olds offered employment in a social enterprise. And, 12.1 percent of those serving 14-18 year olds and 11.4 percent of those serving young adults 19-24 offered employment in a school-based enterprise.

<sup>15</sup> Network for Teaching Entrepreneurship, “Entrepreneurial Mindset: On Ramp to Opportunity” (New York: NFTE, December 2017), 2.

<sup>16</sup> Vanessa E Beary, “The NFTE Difference: Examining the Impact of Entrepreneurship Education,” (September 2013), 5. Accessed December 10, 2018, [http://www.nfte.com/wp-content/uploads/2017/06/nfte\\_difference\\_final\\_report\\_2013.pdf](http://www.nfte.com/wp-content/uploads/2017/06/nfte_difference_final_report_2013.pdf).

<sup>17</sup> JA Alumni Report, 2016-2017, 3.

<sup>18</sup> Brian K. Bucks, Arthur B. Kennickell, and Kevin B. Moore, with assistance from Gerhard Fries and A. Michael Neal, “Recent Change in US Family Finances: Evidence from the 2001 and 2004 Survey of Consumer Finances,” (Federal Reserve Bulletin, March 2006), A1-A38, Accessed November 29, 2018. <https://www.federalreserve.gov/pubs/bulletin/2006/financesurvey.pdf>.

<sup>19</sup> Abe, Betesh, and Datta, “A Longitudinal Analysis of Early Self-employment in the NLSYs,” ii.

<sup>20</sup> Diane Whitmore Schanzenbach, Ryan Nunn, Lauren Bauer, Mega Mumford, and Audrey Breitweiser, “Seven Facts on Noncognitive Skills from Education to the Labor Market,” (Washington, DC: The Hamilton Project, October 2016), 1-3.

<sup>21</sup> Tim Kautz, James J. Heckman, Ron Diris, Bas ter Weel and Lex Borghans, “Fostering and Measuring Skills: Improving Cognitive and Noncognitive Skills to Promote Lifetime Success,” Working Paper 20749, National Bureau of Economic Research, (Cambridge, MA, December 2014), 2. <https://www.nber.org/papers/w20749>.

<sup>22</sup> Michael Nakkula, Ed.D., Miranda Lutyens, Claudia Pineda, Amy Dray, Frank Gaytan, and Jay Huguley, “Initiating, Leading and Feeling in Control of One’s Fate: Findings from the 2002-2003 Study of NFTE in Six Boston Public High Schools,” (Cambridge, MA: Harvard University Graduate School of Education, June 2004), 18-19.

<sup>23</sup> There is relatively little published quantitative data on the age levels of participants in business development programs. However, interviews with practitioners indicate that the vast majority of program participants in these programs are age 35 and above. This is not surprising given that rates of self-employment in the overall labor market increase substantially with age.

<sup>24</sup> Samaschool, “The Future of Work is Independent: How Low-Income Jobseekers Use Independent Work,” accessed December 10, 2018, [https://docs.wixstatic.com/ugd/e4cc5f\\_0e258278759c47deb301e5f435976b8d.pdf](https://docs.wixstatic.com/ugd/e4cc5f_0e258278759c47deb301e5f435976b8d.pdf).

<sup>25</sup> “Impact,” More Than Words, accessed November 27, 2018. <https://mtwyouth.org/what-we-do/impact/>.

<sup>26</sup> In addition to entrepreneurship education programming, many community colleges also offer other supports for entrepreneurs, through Small Business Development Centers, housing fabrication laboratories and maker spaces, and other programs. These types of programs are covered in the sections of this paper on business development and experiential and social enterprise models.

<sup>27</sup> “Member Map,” National Association for Community College Entrepreneurship, accessed November 13, 2018. <https://www.nacce.com/member-map>.

<sup>28</sup> In collective impact, a backbone is an organization responsible for convening and managing the collaborative, including helping the collaborative design and implement its shared vision and strategy. For more information on Collective Impact, visit the Collective Impact Forum, <http://www.collectiveimpactforum.org/>.

<sup>29</sup> Michael Mandel. "How the Startup Economy Is Spreading Across the Country, and How It Can Be Accelerated. Progressive Policy Institute." <https://www.progressivepolicy.org/issues/economy/how-the-startup-economy-is-spreading-across-the-country/>.

<sup>30</sup> The credential is issued by the American Council on Education's College Credit Recommendation Service (CREDIT®) and can be earned by taking an online exam administered by Certiport. Core concepts tested include foundational entrepreneurial skills such as business planning and operations, marketing and sales, and financial management. Participants who pass the online exam receive a certificate from Certiport and three college credits from CREDIT® that can be applied to a course of study in business information technology or business administration.

<sup>31</sup> The Aspen Institute team has used in-person and telephone meetings among its community of practice members and interviews with collaborative staff to document the YEF grantees early experiences.

  
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