A Blueprint for Developing Economic Opportunity for All Youth

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Young Americans represent the future of our country, a wellspring for talent that drives innovation and economic prosperity. But today's youth often struggle to navigate the education-to-work landscape, with high levels of uncertainty and unclear signals on how to prepare for tomorrow's jobs. Youth are barraged by alarming headlines about artificial intelligence (AI) taking away jobs, especially early career jobs. Surveys also reveal declining confidence in college as a pathway to opportunity, given the burden of college debt and high prevalence of underemployment on the other side.

In this climate of uncertainty, what still holds true about how youth can prepare to succeed in a profession or career? What are today's lessons that we feel confident will be relevant tomorrow? Knowing that economic mobility is shaped in part by zip code, what can we learn from state and local leaders who use evidence-based strategies as a starting point but innovate to deliver them at scale?

This brief presents insights from interviews in late 2024 through spring 2025 with 21 state, local, and nonprofit innovators who aim to advance economic opportunity for youth ages 16-24. We focused on innovators who invest in building career pathways into high-growth occupations by leveraging skills training and work-based learning (including apprenticeships) and who focus on helping people meet their basic needs while in training, improve their social capital, and build their professional identity and confidence. These innovators come from a mixture of organizations: state workforce agencies, local workforce development boards, a national nonprofit providing sectoral training with proven impacts, community colleges, and subject matter experts who have supported work-based learning programs.

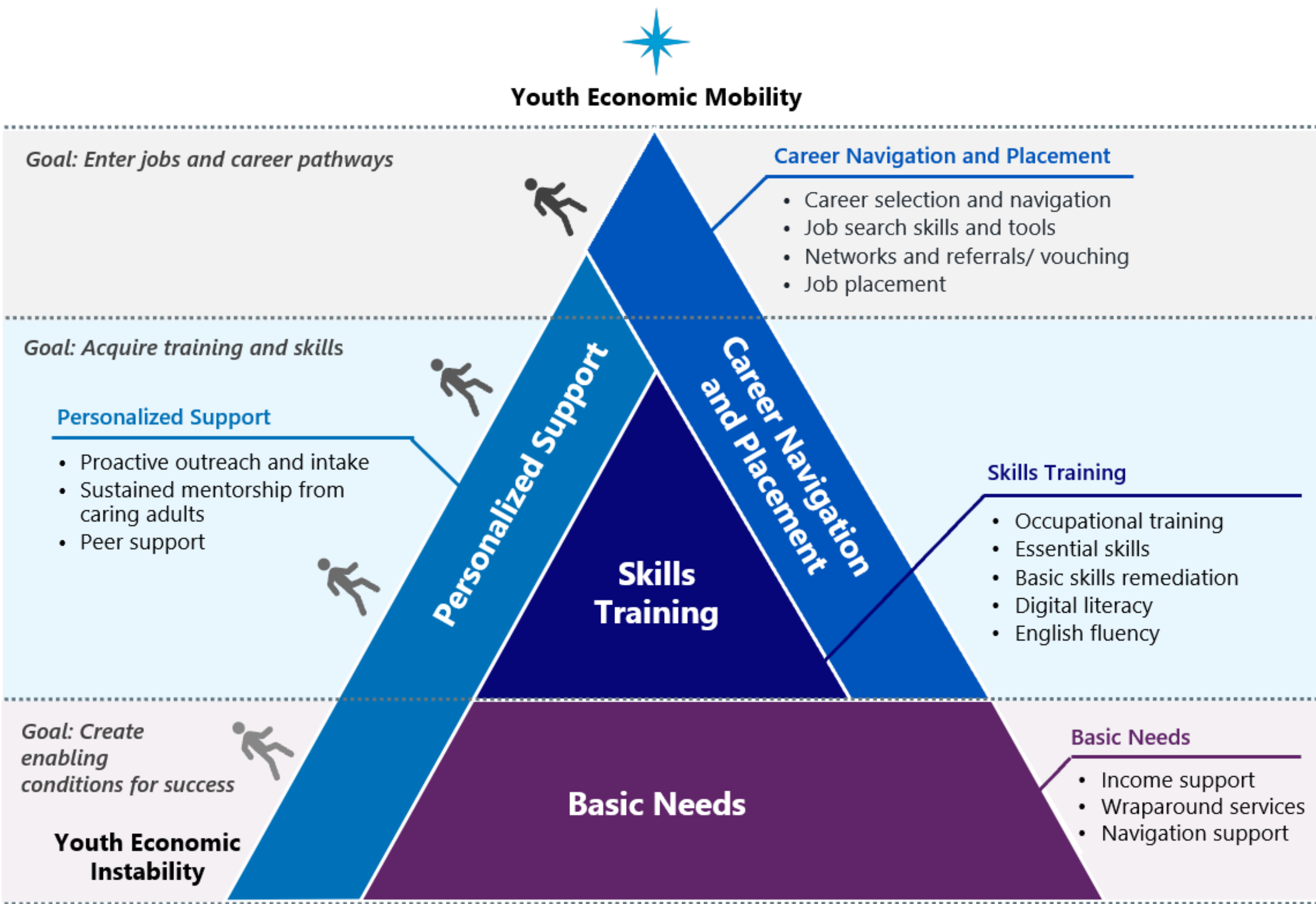
Our inquiry focused on three questions:

1. **What do programs need to offer youth to help set them on the path to economic success?**
2. **What are critical levers for optimizing youth program delivery?**
3. **How can philanthropic and government funders adapt their funding strategies to foster and scale innovation?**

The North Star: What Youth Need to Thrive in Our Economy

As we talked to innovators, we listened carefully to what they considered to be the core components they were integrating into their programs. Despite the diversity of programs, contexts, and perspectives that these innovators represented, several common themes emerged in what they shared. Innovators made it clear that there are no low-cost magic bullets that help youth build durable skills and succeed in the economy. Youth have complex needs, requiring developmentally specific services. Four key components for success emerged (see Exhibit 1).

Exhibit 1. Rich Array of Supports Needed for Youth Economic Mobility



Source. Developed by authors.

Career preparation for in-demand jobs requires diverse types of skills training among youth. Innovative programs, particularly those with proven success, combine diverse forms of learning, including high-quality occupational skill development (e.g., sectoral training), essential (soft/durable) skills, and foundational skills reinforcement, like GED preparation. Some youth may need additional skills building such as digital literacy or English proficiency to gain a foothold into a meaningful career. The degree to which training providers work closely with employers and industry in shaping the content of training, especially as skills demands evolve, can be an important determinant of their quality.

How these skills are taught also matters. Work-based learning (which can include internships, pre-apprenticeships, apprenticeships) provides a hands-on way of teaching both hard and essential skills and is a vital supplement to in-class instruction. Other promising strategies include one-on-one coaching and peer networks as supplements to cohort-based training. Advances in technology and artificial intelligence offer innovators opportunities to lean into virtual training and asynchronous learning supports to increase accessibility, cost-effectiveness, and personalized learning.

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> *All of the pathways have opportunities to apply their skills in a team setting, learning not only the CTE model standards and the industry skills, but then also the career preparation… When they leave our class, they not only get high school credits, college credits, A-G eligibility, industry certifications. We also give them a certificate of completion of competencies, based on career preparation or soft skills specific to their industry.*
>
> – Program Director, Regional CTE Provider

Career navigation and placement support is pivotal. Even well-positioned youth often struggle to access jobs without additional support in identifying and applying for viable roles, articulating skills, and interview preparation. Social capital shapes success in conducting these activities and helps build additional connections. Programs can play an important role in remediating a lack of social capital by increasing access to employers. For example, innovators in one county in Ohio are exploring how training organizations might replace the FBI (father, brother, in-law) referral norms for union jobs and serve the vetting/vouching function that helps reassure prospective employers about applicant readiness and fit. Exposure to potential employers through internship, apprenticeship, or job placements can also overcome gaps in personal or professional social networks.

> “
> *You can say, ‘Here's a field,’ but it's hard to visualize the steps, right, if you're a young person… really helps students understand what careers might be their interest… And it really helps you look at salaries and ranges and degrees and skills and all that… And that piece, I would say is it builds their confidence. They learn so much about themselves.*
>
> – Chief Executive Officer, Nonprofit Training Provider

Some innovators are recognizing the need for providing **long-term career navigation support**. As work rapidly evolves, supporting youth in navigating both career ladders and career lattices (allowing lateral and diagonal mobility) is increasing in importance. A sectoral training provider whom we interviewed is investing in building enduring career exploration skills among learners, establishing a robust alumni support program, and integrating the use of AI tools to help both current learners and program alumni map and translate their existing skills to available jobs in diverse industries, as well as identify the skills gaps they need to address to transition.

Meeting basic needs through effective navigation is a prerequisite for youth engagement in training and work experience. Without meeting basic needs, the opportunity cost of training and skill building is too high for many youth. Innovators emphasized the need for financial support beyond just tuition that includes paid work experiences, stipends, and other forms of income to cover basic needs. Broader wraparound supports (e.g., child care, transportation, legal assistance) are *“critical for people not just getting the job, but keeping the job.”*

Several innovators stressed the importance of **cross-system navigation** and consistent community support in helping youth move from generational poverty to lasting prosperity. The supports youth need at different stages of their journey are varied and offered by experts who belong to different organizations and systems. Navigation assistance that allows people to find these supports is critical. One innovator valued the critical inputs of "nichers" who provide specialized support but emphasized the need for investing more in cross-system navigators who support people over the long-term in finding and connecting with "nichers" for both basic and advanced needs: *"If you don't multiply navigators, I don't think anything works. … Somebody in the community has to take responsibility for that human being on the entire journey."*

Personalized attention is important for success. Program attrition among youth is a widely recognized challenge. Innovators stressed the outsized role of coaching, mentoring, and one-on-one support for driving youth persistence and success. Building youth confidence and a sense of career identity starts from their first interaction with the program. To support this, many have adopted personalized approaches to onboarding by redesigning the intake process to prioritize creating meaningful adult interactions and setting clear goals. These personalized approaches require adequate, well-trained staff, as well as strong case management systems. Several innovators also emphasized leveraging peer cohorts to improve learning, build a sense of community, and provide encouragement through stressful training and life experiences.

> *One of the keys to [our program's] success… is the [peer] cohort model. The thing that gets people to graduation is their peers. Our instructors, our career coaches, our financial coaches, all of the support services are an important part of the equation, but the thing that really fundamentally makes the difference… and the way they persist is through fostering these relationships.*
>
> – Chief Executive Officer, IT Sectoral Training Program Provider

The list of supports mentioned above are by no means exhaustive. There are many other field innovations that were not mentioned by the people we interviewed. These include initiatives around financial aid, such as new models of life-long learning accounts, income share agreements or outcome-based loans; testing different modes of training delivery; the offer of incentives and so on. We limited ourselves to highlighting the supports that were mentioned by the leaders we interviewed.

In the rest of the paper, we offer lessons learned on implementation of models that offer combinations of the components identified above. The lessons we offer are not exhaustive. We focused on the three themes that feel most relevant in the current climate of shrinking funding, potential for greater state flexibility with block grants, and a fast-shifting skills climate. We hope that surfacing these lessons and recommendations here helps us all move faster together toward a better future for youth.

Lessons Learned on How to Get to the North Star

Innovators described various pathways toward the North Star but shared a conviction that it is critical to offer a wide breadth and depth of support AND build an ecosystem that collaborates efficiently to do so. They recognize that the old ways of individual operator silos, competing against each other to be the sole service provider do not do justice to what youth need to succeed. To move toward the North Star, innovators are building sophisticated regional ecosystems that center youth needs rather than program boundaries. We identified three key levers from state and local innovation efforts that accelerate efforts to work across programs and funding streams: 1. cross-sector partnerships, 2. program alignment, and 3. shared data infrastructure. These components matter both in and of themselves and in how they reinforce one another. We discuss each in turn below.

1. Forge Cross-Sector Partnerships That Leverage Complementary Strengths

Innovators emphasized that partnerships, relationship building, and effective collaborations were essential ingredients for their success in working across funding streams to provide more effective economic mobility opportunities for youth. Many were inspired by collective impact theories of change.

Why prioritize this? Offering holistic, human-centered services is very challenging without leveraging the distinct strengths of different partners. Effective partnerships enable a "no-wrong-door" entry point for youth, which requires real-time information sharing, familiarity with partner offerings and strengths, and smooth referral processes. When this works effectively, it does not matter which organization a young person happens to encounter first. Youth will still get directed to the most appropriate services and easily find what they need to achieve their goals.

Why does this happen less than we would like? Although partnerships have long been an explicit policy objective in U.S. workforce and human services legislation, two aspects of how funds are allocated and monitored impede this goal.

- **First, insufficient, fragmented, and siloed funding streams, competing definitions, and nonstandardized outcomes metrics make it hard to partner.** These create friction in partnerships and incentivize each organization to try to take on as many functions as it can rather than on specializing in what the organization does best. As a result, efforts are duplicated, organizations compete rather than collaborate, and youth and employers are confused about organizational roles and processes as they navigate options.
- **Second, the short-term structure of most competitive funding opportunities** (rather than formula funding or ecosystem-wide investments) is a barrier because it often requires a long ramp-up period, can compete with other workforce efforts in the region rather than complementing them, and often lacks elements to promote sustainability after the grant cycle is over. This makes it more difficult to develop longer term backbone organizations that can be strategic, intentional, and sustainable in developing the local ecosystem of youth providers.

What strategies are giving us hope? Innovators are experimenting with how they apply for philanthropic and public sector funding to drive local ecosystem partnerships for richer program and service delivery to youth.

- Several respondents shared that **instead of competing for small, disconnected grants, they coordinated around larger joint proposals.** Innovators established win-win situations by exploring common and/or complementary goals with other local organizations and collaborated over time to get there.

> *None of the things that we're able to do would be possible without the partnerships. … When the Austin Community College, our big community college, got wind of what we were working on with the mayor around the Infrastructure Academy, [they] came forward and offered to partner, saying: 'We have about $200 million worth of bond money to build a new campus in southeast Austin. We know we want to do something in skilled trades.' So very selflessly in the spirit of the greater good of the community and what we're all trying to achieve around building real career pathways for real Austinites. And I would say, that is possible because we had the right leader… but also because we had spent over 20 years building partnership with the college.*
>
> – CEO, Workforce Development Board

- Innovators are also thinking hard about how to **leverage procurement processes to encourage both collaboration and greater accountability** among youth-serving service providers. For example, a county workforce development board in Ohio has decided to issue a single large contract for youth services rather than eight small ones, and it is exploring ways to integrate shared metrics for success for participating collaboratives. Other boards are consolidating youth and adult services for a better transition.

These approaches encourage organizations to clarify their roles and build together using their complementary skills (see the Cuyahoga County case study below).

How might funders accelerate these innovations? Funders can take the following steps to encourage more effective collaborations:

- **Value and fund the roles played by intermediaries and backbone organizations** in bringing together existing community organizations to pursue innovative models, forge complementary service delivery roles, and manage continued collaboration and capacity building. This also means investing in longer term, place-based investments with grants that are large enough, long enough, and adequately funded for building operational capacity.
- **Fund and increase accountability for more robust planning as part of grants** that give grantee collaboratives ample time and resources to do key tasks. More robust planning in grants would allow partners to deeply explore customer and staff experiences and needs, map existing assets available across partners, develop a shared service model that intentionally braids those resources, specify

shared service standards (intensity and quality of services, customer flows), clearly define roles, and set up better coordination norms and systems.

- **Build accountability mechanisms** into partnership agreements, and institute midpoint review points to assess performance and recalibrate model design and partner roles as needed.
- **Support technical assistance and rapid cycle learning** to help leadership and partners understand pains and gains, incorporate youth-centered goals, discover gaps, and adopt evidence-driven improvements early and often when implementing new models.

Built Environment Collaborative

Galvanizing a Collaborative Approach to Expanding Opportunity in Cuyahoga County

Greater Cleveland Works, the workforce development board for both the City of Cleveland and Cuyahoga County in Ohio, convened 13 core partners to form the Built Environment Collaborative (BEC). BEC applied for and received generous levels of funding available under the American Rescue Plan Act. BEC's goal was to catalyze built environment economic opportunities for Cleveland residents and small businesses. BEC seeks to help both job seekers and entrepreneurs build skills, find opportunity (employment or business growth), and thrive in the construction, infrastructure, and clean energy industries.

In interviews conducted for an in-depth case study, participating partners praised the "visionary leadership" of Greater Cleveland Works in conceptualizing a new and collaborative approach to grant funding. Many of the partners have a rich history of success participating in innovative pilots and raising workforce development funding individually. In this instance, instead of competing against each other for smaller individual grants, they went in for a combined multi-million-dollar grant under the leadership of Greater Cleveland Works, with strong support from Mayor Justin M. Bibb's office. Several of the partners who contributed to model design explicitly or implicitly referenced collective impact models being a source of inspiration.

Partners appreciated that the Greater Cleveland Works leadership built a wide tent by inviting many different types of organizations to play different roles; lowered the barriers of entry to partnering by not demanding extensive proposals; took time to collaboratively co-design and refine the model with input from all parties; defined shared goals and outcomes; and created joint monitoring data sheets showing each organization's contributions to shared outcomes. This has helped signal shared ownership of success and cataloguing of improvement opportunities to reinforce partnership and collaboration strength. **To learn more, see AIR's recent case study on BEC.**

2. Shake Loose Existing Funding by Aligning Program Requirements

Forging durable, adaptive partnerships is a great start to serving youth well. But how well these partnerships perform, deliver, and sustain over time depends on the degree to which they can tap into enduring funding streams (which can vary by partner). It isn't just that there isn't enough money. It's also in fragmented systems where a web of competing requirements, processes, and policies prevents its effective use. As a study on the financial models of work-based learning intermediaries eloquently put it, "Braiding funding sources is often framed as a strategy for sustainability but for the intermediaries in this analysis, braiding is a matter of survival."

Why prioritize this? Funding for youth economic opportunity in the United States appears limited, especially compared with other developed countries. Even the money that is available can be hard to access. Innovators pointed out that **money is fragmented across systems and constrained by complex eligibility rules, as well as by misaligned reporting requirements.** Common public funding streams like Workforce Innovation and Opportunity Act (WIOA) programs, Supplemental Nutrition Assistance Program (SNAP) Employment & Training (E&T), and Temporary Assistance for Needy Families (TANF) are all trapped in a web of competing requirements, processes, and policies that often blocks user access.

> *Right now we can't have a common application, you have to have a separate application for everything. And all the requirements for everyone are different too, between TANF and WIOA... So it just seems like there's all of these little nuances of differences, and are they really that important? I'm not sure they are. They just make the programs more complicated and difficult to administer.*
>
> – State agency administrator

Since requirements and applications vary for each funding source, eligibility requirements become an unsolvable puzzle for youth and burdensome for staff. This administrative burden is most taxing for those who need to access multiple streams of funding, making it more difficult to braid services and funds to fully support youth.

Why does program alignment happen less than we would like? The locus of control on who has the authority to align program requirements is fragmented across federal, state, and local levels, which makes alignment slow, inconsistent, and difficult to coordinate. **Federal laws are complex** and can take years to change. **At the state level, leaders face varied barriers and opportunities** to aligning systems depending on the mix of state legislative, structural, and political factors at play. **Decentralized administration at the local level**, where decision-making and operations can be spread across multiple levels of government or agencies, can make it unclear who should lead alignment efforts across regions.

What strategies are giving us hope? Our interviews revealed a wide range of strategies that innovators use to try to overcome the fragmentation. Their nature differs by whether they are at local or state levels. Local leaders at workforce boards, community colleges, and intermediaries are **showing creativity in braiding funding by understanding funding complementarities and taking advantage of flexibilities.**

- For instance, local leaders rooted in community colleges said that Perkins funding can be leveraged with other programs somewhat easily because it has more flexibility. Others noted that SNAP E&T funding allows them to build holistic service strategies for youth in combination with WIOA, although that process can be cumbersome to set up in the beginning.
- In larger states like California and Texas, local leaders have been able to tap state-level investments such as innovation grants to serve as catalytic capital to operate pilots and demonstrations. In a few cases, local success stories helped persuade state leaders to scale up aligned models more broadly. Local innovators indicate that setting a goal of having money follow the person rather than the program is helping guide them toward more streamlined delivery.

Austin, Texas: Money Follows the Person

Leaders in Austin, TX conducted an analysis that found that infrastructure career opportunities were poised to grow in their region. With significant contributions from the city, Austin Community College, Google.org, Texas Mutual Insurance Company, and others, the local workforce development board, started the Austin Infrastructure Academy. **The academy operates with an intentionally human-centered funding model that follows the learner rather than a preset menu of services or traditional cohort training model** that serves people within one program funding stream or institution. Workforce Solutions got input from a coalition of more than 140 local partners on the service model and then established defined roles for each partner, which activate based on the learner's needs or aspirations.

This funding model allows Workforce Solutions to align services with what people actually want or need, and it includes a wider range of services than one program can typically offer. In addition, Workforce Solutions is beginning to build its own cross-program data infrastructure to allow it to track individuals in the Infrastructure Academy to capture more of the services they are receiving, not just the services from their own programs. This will help Workforce Solutions understand how individuals progress over time and capture the broader impact of the Infrastructure Academy to tell the story of their impact and barriers to success. **Notably, political commitment is an important driver for success when roadblocks occur.**

> ***"The mayor said, 'Money follows the person served. This is our design and I'm sticking to it.' And so having leadership that doesn't cave and supports you is also key."***

State-level systems change efforts that are anchored in strong political support can be an important driver of alignment. In our interviews with innovators, we came across diverse models of integration. State leaders have more authority to create enabling policies to improve alignment across agencies and programs, although they still operate within the bounds of federal rules and legislation and it can take a while to implement a braided or blended funding solution. Ohio and Maryland are each taking significant steps to braid funding for youth at a systems level.

Maryland’s Effort to Streamline Work-Based Learning Pathways

The state of Maryland has taken several bold steps to expand and align programs across the education and training system. The Blueprint for Maryland’s Future, which became law in 2021, set an ambitious plan to reform career and technical education: Beginning the 2030-2031 school year, 45% of Maryland’s high schoolers should complete the high-school level of a registered apprenticeship or industry-recognized credential by the time of graduation. In 2025, Governor Wes Moore signed the Registered Apprenticeship Investments for a Stronger Economy Act (RAISE Act), an effort to expand apprenticeships into new high-demand industries, including education, health care, and information technology.

Legislative action is driving state alignment efforts. State leaders shared in interviews that they are seeking to align several systems: registered apprenticeships, career technical education (CTE), workforce development (WIOA), juvenile justice, summer youth employment, and higher education. Maryland is one of only two states that already has statewide high school apprenticeships, so new efforts to build apprenticeships for high school students and for new sectors build upon existing infrastructure.

To expand into new sectors, the state is working to establish pathways to degree apprenticeships (e.g., in occupations like teaching) by **coordinating between higher education and the registered apprenticeship system.** In addition, the RAISE Act includes incentives for employers, funding for intermediaries to establish and operate new apprenticeship programs, and new state-level administrative rules and bodies to ensure that the process of expanding to new industries is not hindered by rules that are irrelevant to industries outside the skilled trades.

CCMEP: Ohio’s Effort to Braid WIOA Youth Programs and TANF

After the passage of the Workforce Innovation and Opportunity Act (WIOA), Ohio was among the first states in the nation to take advantage of its flexibilities and its emphasis on service integration. Leveraging Workforce Innovation Fund grants, the Ohio Department of Job and Family Services piloted the Comprehensive Case Management and Employment Program (CCMEP), an integrated model of services for low-income youth in 2016. A year later, CCMEP was made permanent statewide.

CCMEP co-enrolls youth ages 14 to 24 in the WIOA youth program and TANF with the goal of using braided funding to provide more support for youth to achieve economic mobility. CCMEP aims to offer tailored supports that help youth break the cycle of poverty. The program is designed to offer holistic career coaching, tailored services, and navigation support as it prepares youth for lasting employment through paid and unpaid work experiences, education and career training, tutoring, college readiness support, or work credentialling.

CCMEP is state administered but delivered at the local level, and an evaluation found variation in implementation across the state. To ensure its continuous improvement, state and local administrators have focused concerted effort on two important fronts: 1. sustaining political knowledge of and interest in CCMEP across changes in agency leadership and 2. continued investment in staff training and rapid-cycle learning to change culture and build capacity for youth-centered service delivery.

How might funders accelerate these innovations? Federal policymakers could accelerate state and local innovation by inventorying the ways that they can align eligibility definitions, intake procedures, case management processes, and reporting requirements in the legislation and policies for programs that are commonly paired to serve youth. In the absence of strong federal support for these reforms, there is still a lot that other funders could support. Below are key areas for action:

- **Invest in supporting capacity and early planning for outreach and messaging to youth and their families:** Across the board, state and local leaders were proud of their innovations and wanted more people to benefit from them, but because they were new and unfamiliar, there was often a need for more outreach, including to parents and youth-serving organizations.
- **Increase training, peer networks, and guidance:** Public and private funders could supplement the existing resources available for staff cross-training and guidance with additional resources and tools. With coordination, some of these tools and solutions could be developed in one place but shared broadly in a community of practice to enhance their impact and promote more widespread learning. Importantly, learning from each other on what policy waivers can be requested at state and county levels to make eligibility requirements less cumbersome could go a long way.
- **Invest in shared infrastructure and enduring communities of practice:** Decisionmakers and funders can invest in shared infrastructure that makes braiding and blending funding easier. This could include shared data definitions, aligned outcomes reporting (e.g., for a funder's collaborative), or access to solutions and sample legislation from other states to tackle common problems. State and local leaders could also adopt specific strategies, such as integrated case management tools, business process reengineering, and service coordination planning, to accelerate implementation.
- **Support the development and execution of a shared vision:** Coordinating services across a fragmented system will always be challenging in the absence of a North Star to guide everyone and build buy-in for a future state that has less friction and more success. Achieving a shared vision takes investments in cultivating leadership, an ongoing investment in multistakeholder engagement and initiatives to codesign and implement specific components of the vision, and resources to provide the space and time for consistent collaboration across all the key players involved.

3. Grow and Develop Shared Data Infrastructure

Shared data infrastructure is foundational to collaboration, service alignment, and outcome tracking. Yet across state and local contexts, innovators said that the siloed nature of data infrastructure was a significant barrier to executing an integrated service strategy that would help promote youth economic mobility. Generally, local leaders struggled to partner with the state, and state leaders struggled to partner with other state agencies, to establish data-sharing agreements and obtain the information they needed. As one leader colorfully described it, "Data sharing is always the elephant in the room because when data are in silos, they have to feed data into their own funding source and CRM. Every pilot wants its own [data] integrated with partners." Without shared data, each program or pilot ends up building its own reporting system, which further limits collaboration and increases duplication.

Why prioritize this? To serve youth efficiently in the context of scarce resources, programs need timely information about needs, activities, and outstanding gaps quickly. Siloed data systems make it difficult to understand the full picture of service receipt. When data can be shared across programs, it enables partners to coordinate services, track outcomes, and design integrated strategies that reflect the true experience of youth. Yet several innovators pointed out that slow, restrictive, inconsistent data sharing creates barriers that make this goal hard to achieve. Accessing data often requires significant time and effort, which often goes unrewarded due to federal restrictions that prohibit using data for anything beyond compliance reporting.

Why are there fewer shared data systems than we would like? State and local leaders identified three impediments to shared data systems.

- First, **funding siloes drive organizational siloes and competition, which in turn produces fragmented and duplicative data systems.** As one innovator put it, “While having duplicative copies of everything, we still have lack of access to information.”
- Second, the disconnect between who mandates and funds data collection, who manages the data, and who uses the data means that **the incentives for modernization are not equally acute and aligned**. Local leaders reported few levers to modernize and combine data systems or readily access linked data because the authority rests with state or federal decisionmakers. Even if those local levers were available, it would not be the most efficient use of resources. States have more levers, but many report being hamstrung by data definitions specified at the federal level and by being locked into long-term contracts with proprietary data vendors who resist making improvements.
- Finally, “things move at the speed of culture.” Getting trust from leaders and staff is necessary for getting agreement for cross-system and cross-state data sharing, and **building trust requires sustained time, effort, and political will.**

What strategies are giving us hope? Despite these challenges, there is real momentum among states for finding ways to modernize and align their data systems to drive continuous improvement efforts. These states are patching together funding from philanthropy, government, and public-private partnerships to invest in:

- **Data modernization efforts**: strengthening the foundation by shifting to cloud-based services and infrastructure, linking data across programs and systems, and streamlining practices for managing, securing, and sharing data, and
- **Data innovation efforts**: getting more value from existing data for enhancing public services, such as using data analytics, machine learning, or AI to surface insights that can inform program decisions or allowing end users to use their own data to navigate to services or explore careers.

Culture change and visionary leadership are key parts of the transformation. Shifting away from using data purely for program-specific compliance reporting and building shared services and data systems across programs and states does not happen overnight. It takes years of work with strong leadership and a clear vision to cultivate a culture that supports continuous innovation and reinforces the value of data-driven insights. It requires high levels of internal capacity, sufficient resources, and buy-in from agency leadership and the governor. It can be especially effective to address agencies' jadedness about the utility of data and provide data use proof points early that dispel the notion that we are doomed to being "data rich but insight poor." For example, several leaders noted the value of getting early buy-in from leadership by using creative data analytics to deliver useful insights that solved an immediate problem that the leaders were struggling with. This piqued their interest and improved support for investing in more capacity for data analytics. Many states have begun to formalize these efforts through state-level data governance institutions (e.g., chief data officers, chief innovation officers) who have the authority to work across agencies and states.

Federal, philanthropic, and public-private partnerships for investment have been a powerful accelerant for state data modernization efforts. States reported using the federally funded Workforce Data Quality Initiative as a starting point for strengthening their foundations. They have then leveraged a patchwork of philanthropic and public-private investments for continued improvements. A powerful example is the Multi-State Data Collaboratives led by the National Association of State Workforce Agencies, Coleridge Initiative, and State Higher Education Executive Officers Association. Under these, a coalition of state technology leaders is developing cross-state data-sharing capabilities, sharing best practices, providing training on data integration and use, creating replicable data use tools, and spurring further investments in innovation.

These base investments have created infrastructure that has led to additional data innovation work (e.g., the creation of career exploration tools in three states under the Data for the American Dream initiative). Other transformative public-private partnerships include the Jobs and Employment Data Exchange (JEDx) that aims to standardize and automate employer reporting of labor market information through partnerships with payroll providers. At the local level, workforce boards are soliciting philanthropic dollars to create "shared customer" databases that pool data on service delivery and receipt across multiple benefit systems.

Building an Interconnected Data Ecosystem in Arkansas to Drive Economic Mobility

The state of Arkansas has been at the forefront of data modernization and data integration efforts, leveraging participation in multiple collaboratives and pilot efforts. Act 936 of 2019 set the stage by focusing not on retrospective evaluation and research but instead on the continuous improvement and alignment of programs with the evolving needs of the state. As the state's chief data officer put it, *"That's our north star: timely, responsive data that drives agility and alignment."*

Strong political buy-in for economic mobility through workforce across agencies, **a long-term focus on building capacity** for longitudinal and cross-system data collection, and **a heavy emphasis on generating data use cases** for different system users has made Arkansas a leader in this space.

Arkansas's latest data innovation effort is **Arkansas LAUNCH**, a skills-based platform that seeks to help youth and other job seekers connect with job opportunities and employers, based on their interests and skills. The tool is designed to help not only with career entry but also with continued career navigation driven by data on local labor market trends. This initiative builds on a strong history of data modernization and data innovation.

Arkansas's Department of Transformation and Shared Services has been a leading participant in JEDx to improve labor market reporting, as well as in the multistate data collaboratives described above. Specifically, Arkansas has made many contributions to the Administrative Data Research Facility (ADRF) and data analytics capacity-building courses within government. Arkansas has leveraged the ADRF to securely link data across multiple agencies and systems—workforce development, K-12 education, higher education, the criminal justice system, apprenticeships, and health and human services.

Some leaders also noted that they were **starting to identify creative ways to incorporate AI into their service strategy and administrative operations** to use scarce resources more effectively and to improve access to services such as navigation and career exploration for job seekers (see box). As this development is evolving fast, it merits further research to explore the potential value adds and risks of using AI in program delivery and administration.

Using AI and Automation to Improve Service Delivery

Several local leaders were trying to leverage the efficiencies of AI and similar automation tools with humans in the loop to **support career navigation, résumé and cover letter writing, and grant reporting.** For example, in Austin, the workforce development board was working to deploy AI chatbots to help with navigation, sometimes with the one-on-one support of a counselor to interpret the results: *"We just want to be able to serve more people by using technology where technology can really help, but making sure that a person is always there to have eyeball-to-eyeball conversation, even if it's through a screen."*

Similarly, a community college in California was working with an AI startup to try to **address the administrative burden related to compliance reporting.** The college was seeking to streamline the reporting of head counts and hours of related instruction for apprenticeship because it had to record that for auditing purposes for every participant every day—a tremendous administrative burden.

How might funders accelerate these innovations? In the absence of more comprehensive modernization and policy change across federal data systems, state innovators can still develop customized systems of their own. Philanthropy has already been investing in some promising data-focused solutions. We recommend expanding these efforts. Recommended key areas of focus include the following:

- **Continued investment in data-sharing infrastructure and communities of practice:** In addition, with government and philanthropic resources, state leaders (particularly governors and state technology leaders) could continue to build on the strong track record of voluntary cross-state, data-sharing infrastructure through the multistate data collaboratives, as well as through other public-private partnerships such as the JEDx. These efforts have been expanding over the last decade. More investment in state data capacity would help scale strategies that are working. Aligning varied data modernization investments may also help. For example, the Workforce Data Quality Initiative is separate from the State Longitudinal Data Systems effort and greater synergy between them might accelerate data capacity.
- **Support for tracking a wider range of relevant outcomes:** Making sure that work-based learning opportunities such as internships and apprenticeships are also tracked and accounted for in the emerging employment reporting data is another way to ensure that we can more fully understand how youth are utilizing and impacted by work-based learning opportunities.
- **Connection of programmatic innovation with data integration efforts:** In many states, program leaders have been innovative in braiding particular funding streams, and in parallel, other leaders have been focused on modernizing and integrating data in innovative ways, but often these efforts are disconnected. Linking those activities could lead to improvements in existing data challenges. Funders can invest in efforts that intentionally connect innovations happening in different domains of work happening in a given state.
- **Assistance with better defining and tracking of outcomes that reflect the changing nature of work:** Several innovators mentioned needing help with how outcomes are defined and tracked across partners. Some programs track activities, not outcomes, so the outcome data overall are incomplete. Outcomes for someone along a lifelong career path are often not linear, but performance goals in some funding streams reward linear advancement and not lateral moves.

Actions for Government and Philanthropic Funders to Accelerate Youth Economic Mobility Today

Despite the rapidly shifting federal funding landscape and economic uncertainty, American voters are showing widespread support for a stronger federal role in aligning school curricula with job-related skills, expanding apprenticeships and other forms of work-based learning, and providing other solutions to make quality job opportunities more affordable and accessible for young Americans. Youth are also eager to have more options to get into well-paying careers, and businesses need their talent to innovate and grow. Evidence suggests that youth need a rich spectrum of supports—often from different funding streams and programs—to successfully launch their career, but the institutional landscape for supporting economic mobility is fragmented and under-resourced.

The state and local innovators we interviewed were trying a wide range of creative approaches to leverage multiple pots of funding in a time of shrinking resources to create quality pathways for youth, and to do so in partnership with local employers. These innovations were not the product of one organization or leader but deployed in sophisticated ways through an ecosystem of partners who understood their respective roles and areas of specialization and were working in concert toward a unifying North Star. Their experiences shed light on the key elements that are critical to have in an aligned service strategy and can provide valuable insights to funders interested in catalyzing, accelerating, and systematizing programmatic alignment for youth.

Philanthropic and public-sector funding can play a critical role in supporting regional ecosystems as they navigate these uncertain times to cultivate talent and set youth on a lifelong path of economic mobility. Building on the lessons and insights above, we propose five areas of investment for funders. The first two target improving outcomes for youth in the near term. The next two focus on building up longer-term system capacity through place-based investments and investments with extended time horizons for impacts. The last recommendation strengthens all investments.

1. **Address critical gaps in cross-system navigation** at every stage of a confusing, siloed service delivery system, including cross-program navigation, workplace coaching and mentorship, career exploration, and peer support.
2. **Connect state and local program innovators with their counterparts working on service innovation and data modernization by supporting communities of practice.** These include multistate data modernization initiatives to connect parallel efforts happening within the state and iteratively improve local access to data and information that is necessary for coordinated service delivery, outcomes reporting, and data-driven decision-making (while preserving data security and protecting privacy).
3. **Build ecosystem-wide capacity** through investments in technical assistance, peer learning and exchange, backbone organizations that lead the collaboration, training resources, and rapid-cycle learning.

4. **Strategically coinvest in the ecosystem** by coordinating with other funders to clarify roles, align reporting and funding requirements, support collaborative infrastructure, and establish shared goals and metrics.
5. **Set explicit metrics of success and fund continuous learning and evaluations.** While funders typically articulate investment hypotheses and theories of change, they don't always set clear, public, and realistic milestones and track data that would allow them to measure whether their investments are working. Funding both rapid cycle learning and longer-term independent research on whether and why different programs and strategies yield results can equip the field for evidence-driven improvements.

With daily changes in economic policy and the rapid roll back of federal spending, the moment calls for state and local leaders to think creatively about how to do more to support young talent with fewer resources. Across the nation, innovators have already tried various ways to braid and blend funding for youth, and they can offer many valuable lessons and insights to accelerate efforts to take action. There is not necessarily a silver bullet or straightforward playbook for how to operationalize these innovations at scale. How each state or local area goes about this process will depend on the specific cultural and institutional setup in that place. Funders from philanthropy and the public sector alike have an essential role to play to facilitate more sophisticated, place-based partnership strategies and cross-site learning and peer exchange.

Without an all-hands-on-deck approach to collaboration with clear roles and functions mapped to the local ecosystem, the country will miss out on engaging a generation of home-grown talent to solve the most critical problems of our time—from the impact of AI on the workforce to trade wars with China. State and local leaders are pointing the way in how to tackle these challenges with ingenuity and focus. We hope that shining a spotlight on their needs will drive investments that accelerate their good work.

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