The Status Quo

Rose’s Story:

Meet A Young Woman We Will Call Rose

Rose is a representative composite of the 4.6 million Americans between 16 and 24 who are not working and not in school. Like many of her peers, Rose has been juggling part-time jobs since aging out of foster care. Rose is also the primary caregiver of Samuel, her 2-year-old son. Rose knows that she needs to find a better job - ideally one that leads to a career that will give her more stability — but she’s not sure where to start. She reaches out to an old foster care case worker who suggests that Rose visit her local Temporary Assistance for Needy Families (TANF) office. Rose is hesitant. She’s been treated unfairly by the government institutions she knows: an underfunded school, foster-care bureaucracy, and heavy-handed police. When Rose decides to give it a shot, she sits with Samuel in a waiting room for hours until a case worker hands her a stack of forms to fill out. She is told to come back for an interview in a week because she didn’t bring all of the correct documentation with her today. Given that this visit already cost Rose half a day of lost wages, she knows that there is little to no chance she can make it to that follow-up appointment.

The Challenge: A Disjointed System with Multiple Barriers

The legislators who write education, workforce, and public benefit laws and the civil servants who implement them didn’t set out to build a system that fails the people who need it the most – yet this is what’s happening for Rose and many others. Between complex administrative procedures, strict eligibility requirements, and a web of services and programs that work in silos rather than in coordination, the U.S. public support system consistently fails to meet Rose and others like her where they are. The obstacles Rose faces are symptoms of a system that inadvertently prioritizes services over outcomes and paperwork over people. In a good-faith effort to ensure maximum scrutiny of the use of taxpayer funds, we’ve developed programs that focus more on ensuring adherence to eligibility, reporting, and compliance requirements than on achieving economic and well-being outcomes for the people they serve. If the public system is serious about helping people like Rose, it has to comprehensively change how it engages and supports people.
A Way to Rethink the Story:

The concept of Economic Mobility describes the ability of an individual, family, or group to improve their economic status, usually measured by increases in their income as well as other financial well-being metrics.

A system that is focused on economic mobility outcomes ensures easy and equitable enrollment in workforce and training programs, effective and relevant service while people are enrolled, and effective follow-up support. Had Rose’s foster care case manager operated in a system that focused on economic mobility, he would have worked more closely with Rose before she aged out at 18 to help her connect with and enroll in other support services that could have provided the necessary education, workforce training, and wrap-around supports (child care, transportation, etc.) to get on a track to earning a living wage with a long-term career trajectory. If the TANF caseworker had been operating in a system that focused on economic mobility, he would have taken the time to get to know Rose at her first visit and to make sure she was quickly connected to relevant services, including a coach or other mentor to help her navigate the bureaucratic complexity of future training and work requirements.

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Stages of Engagement with Human Services

- **Enrollment**
  - Proactive outreach to enroll all eligible participants
  - Priority on underserved individuals and communities
  - Simple enrollment process with streamlined verification
  - Automatic cross-enrollment between programs

- **Service**
  - Sufficient wrap-around support
  - Accommodating training formats and schedules
  - Relevant, career-building content

- **Follow-Up**
  - Continued coaching and support
  - Automatic referrals to other services
The System = Six Government Levers

The behaviors and practices of case managers and other frontline staff are governed by the underlying government structure that determines how they do their work.

Without addressing this “behind-the-scenes” government structure, it’s unlikely that changes in knowledge, behaviors, and practices will last over time. This government structure, or “system,” includes six levers. When any one of these levers is adjusted in support of economic mobility, that adjustment can spur the kind of change that is necessary to generate impact and last over time. How each of these levers factor into the enrollment, service, and follow-up stages of engagement will determine the success of each stage. The six government levers are explained below:

- **Internal Culture**: Values, perceptions, and structures that drive people’s behavior within a government agency. An internal culture that fully valued Rose as a human and prioritized meeting all of her needs in a timely and thorough way.

- **External Relationships**: Ways of interacting, power dynamics, and the level of trust between government agencies, service providers, and community members. Strong relationships with other service agencies and programs so that someone could step in and meet Rose’s needs thoroughly and timely.

- **Policy**: Decisions that define public sector social service priorities and funding through legislation, regulations, and official guidance. Policies and rules that stipulate pre-enrollment support and hold centers accountable for people who express initial interest in services and don’t follow through.

- **Funding**: The contracting and delivery systems that deploy public funds into communities in alignment with policies. Funding explicitly tied to outcomes as to incentivize adequate and timely service and referrals.

- **Services**: The activities delivered by organizations to improve life outcomes of certain populations within a community. A system of service enrollment, delivery, and follow up that ensured Rose could seamlessly move from one program to another.

- **Data**: Technology, methods, frameworks, and behaviors that enable data collection, data analysis, data sharing, and data use. Data-informed practices that flagged youth aging out of foster care as particularly vulnerable and in need of additional support.
The Outcomes-Focused Approach = Six Steps to Reorient The System

One model to foster outcomes-focused system change involves a set of six action steps that any agency of government can take to systematically identify barriers for achieving economic mobility and adjust the government levers to address those barriers. The six action steps include goal setting, stakeholder engagement, metrics and measurement, breaking down silos, incentivizing solutions, and continuous improvement.

**STAKEHOLDER ENGAGEMENT**

*“Not about us without us.”* Outreach, ongoing collaboration, and feedback from clients are essential to understand and solve for root-causes.

**OUTCOMES GOALS**

*“What is your purpose?”* Policymakers and service providers identify goals they want to collectively achieve with a defined population.

**CONTINUOUS IMPROVEMENT**

*“Getting better over time.”* Agencies and providers review data and feedback in real time and use it to adapt policy, funding, and services.

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**MEASURING SUCCESS**

*How do you know if the priority population is better off? How can the relevant data be collected and shared?*

**ENSURING COLLABORATION**

*How can necessary partnerships at the funding, data, and service delivery levels become routine?*

**TYING RESOURCES TO RESULTS**

*How can agencies and providers be incentivized to change policy, funding and service delivery?*
The Outcomes-Focused Approach in Practice

Spotlight on Youth

The four case studies below illustrate the outcomes-focused system change approach in practice with a particular focus on youth (ages 16-24). Youth, especially underserved and marginalized groups¹, represent a critically important demographic in economic mobility efforts given the lifelong and often multigenerational impacts that programs can have. Each of the examples below involve reorienting one or more of the government levers as part of working through the action steps. The four examples come from four states—Georgia, Louisiana, Massachusetts, and Virginia—and span the stages of engagement.

1. Transition from foster care in DeKalb County, GA
2. Enrolling foster care and justice-involved youth in VA
3. Family-centered services for young parents in MA
4. Follow-up support for youth completing workforce programs in New Orleans, LA

¹ Underserved and marginalized youth groups include those involved in the foster care or justice systems. It also includes “Opportunity youth” defined as young people disconnected from work or school. Black, LatinX and other people of color may also be marginalized or underserved due to structural racism that have kept them from succeeding in education or training.
Case Study 1:
Transitioning Young Parents from Foster Care to Workforce Development Programs in DeKalb County, Georgia

“Through this pilot, we wanted to create a framework of self-sufficiency rather than agency dependency. It was important for us to develop a transition process that would give all young people the information about what benefits are available to them after they transition out of foster care, if that’s what they choose to do. We wanted to ensure that young parents wouldn’t feel judged if they returned to the agency for different supports later on (e.g. TANF, SNAP), but rather ensure that they knew these resources were available to them and knew how to access them when and if they needed them.”

— Candis Jones, GA DFCS Independent Living Program Director

**Economic Mobility Opportunity:** In DeKalb County, GA, approximately 70 young parents (ages 18-24) age out of foster care every year. Despite being of adult age, these young parents (99% of whom are Black) often continue recovering from past trauma and experiencing poverty. They often lack the education and skills necessary to secure a living-wage job to provide for themselves and their children. Without sufficient support during the transition between the services provided while in foster care and services offered to adults, young parents find themselves in a poverty trap, unable to achieve seconomic mobility because the system of adult service delivery is very complex and difficult to navigate without support. A myriad of eligibility requirements, service limitations, and complex application processes make it hard to secure requisite support services such as transportation, mental health counseling, mentoring, housing, and childcare.

These services are often necessary for young parents involved in foster care to succeed in obtaining the education and skills that would ensure a living wage for them and their children. The Georgia Division of Family and Children Services (DFCS) has committed to addressing this disparity by working to ensure that young adult parents remain connected to training and workforce development opportunities to advance their family economic mobility.

**Outcomes-Focused Approach:** To achieve this goal, Georgia DFCS and its community partners worked with Third Sector throughout 2019 and 2020 to develop a pilot model, now underway in DeKalb County, providing a continuum of care for young parents before and during the transition out of foster care. The pilot included the following OFG components:
Outcomes Goals: Through a goal-development exercise facilitated by Third Sector, DFCS agreed that the ultimate goal of the pilot was to help young parents achieve self-sufficiency through a sustainable wage. To achieve this goal, DFCS agreed on three priority outcomes and corresponding definitions to measure progress:

- **Educational Attainment** defined as graduation from high school or the equivalent and enrollment in a post-secondary education program.

- **Employment Training** defined as engagement in training, real-life work experience, and achieving certifications necessary to hold various jobs.

- **Employment Placement** defined as placement in a high-demand career pathway with a sustainable wage for DeKalb/Fulton County.

Metrics & Measurement: Third Sector has supported DFCS in the development of a data request to the Georgia Policy Lab to ensure the agency can receive access to administrative information about the education rates and employment status of young parents and about the well-being of their children. Third Sector helped to break the outcomes into specific metrics and identified other indicators that would be helpful to collect to inform continuous improvement (e.g., housing status, enrollment in supportive services such as SNAP, TANF, and early education programs). In this data request, we requested that outcomes be disaggregated by race and ethnicity to document for the agency of inequities that may exist.

Breaking Down Silos: Third Sector facilitated collaboration between the DFCS Child Welfare branch and the DFCS Office of Family Independence (OFI) to ensure that the young parents would be connected automatically to economic mobility programs funded by federal programs such as Temporary Assistance for Needy Families (TANF) or American Job Centers.

Over the course of six months, Third Sector led a series of working meetings including staff from the Child Welfare branch, OFI, and other community partners that work with young parents in foster care to ensure that the pilot was a collaborative effort.

Stakeholder Engagement: To ensure that the transition process was relevant and effective, Third Sector led DFCS through a stakeholder engagement process built on human-centered design approaches. A focus group with young parents and other community partners enabled DFCS to better understand the young parents’ experiences. This was also visually documented in a journey map that surfaced potential barriers and bottlenecks that could impact the probability of achieving the priority outcomes. Based on this stakeholder engagement, DFCS and Third Sector identified concrete improvements connected to internal culture and external relationships that would support the achievement of the prioritized outcome goals. These include:

- Engaging representatives from the Office of Family Independence (OFI) in all foster care transition meetings for young parents to provide education on the resources available for their families after they leave foster care. OFI is the office within DFCS that manages SNAP, TANF, and Medicaid eligibility.

- Maintaining seamless benefit access (e.g., Medicaid) for the parent and child throughout the transition from foster care.

- Providing a direct handoff to an OFI case manager who has a specialized background in the needs of young parents aging out of foster care.
Case Study 2:
Referring Foster Care and Justice-Involved Youth to Workforce Development Programs in Northern Virginia

Government Levers Included: External Relationships, Policy, Funding, Services, and Data

“We wouldn’t have been able to do it without Third Sector at the helm. I don’t know if a workforce board could do this without an entity like Third Sector supporting and being a partner with us.”

- Seema Jain, VP of Operations Skillsource

Economic Mobility Opportunity:
In Northern Virginia, 18- to 24-year-olds who have experienced the foster care or justice systems have historically had low participation rates in workforce development programs, given the myriad of barriers they experience. This is particularly true for Black and LatinX youth who, due to structural racism, make up a disproportionate number of foster care and justice involved youth and are less likely than their white peers to proactively seek out services in the one-stop American Job Centers funded through the Workforce Innovation and Opportunity Act (WIOA). The Workforce board in Northern Virginia sought to better seek out and serve these disproportionately minority youth in education and workforce development programs to set them on a path towards economic mobility.
Outcomes-Focused Approach: To achieve this goal, the SkillSource Group (“SkillSource”), the operating arm of the workforce board in Northern Virginia, became the first local workforce entity in the nation to take advantage of the WIOA Pay for Performance provision which enables workforce boards to establish financial incentives (or “bonus payments”) for service providers to improve longer-term outcomes for “hard to reach” populations. During 2018 and 2019, SkillSource and the Fairfax County Department of Family Services (DFS) worked with Third Sector to work through the following components of the OFG approach:

- **Outcomes Goals:** WIOA already stipulates clear outcome goals for its programs, which include measurable skills gain, employment two and four quarters following program exit, and degree or certificate attainment four quarters after program exit. Third Sector helped SkillSource think through how other goals related to earning a living wage and reductions in recidivism and public benefit utilization might also contribute to economic mobility for youth.

- **Metrics & Measurement:** In addition to the WIOA performance indicators, Third Sector developed a roadmap and toolkit for how SkillSource could triangulate their workforce data with data from the county justice system to provide a more holistic understanding of how well SkillSource’s programs achieve impact beyond workforce metrics.

- **Incentivizing Solutions:** Under an outcomes-focused service contract, SkillSource funded DFS to proactively engage and serve 100 out-of-school and unemployed foster care and justice-involved young adults over the course of three years. An additional pay-for-performance “bonus” would be paid once the youth achieved the WIOA performance goals. Third Sector helped Skillsouce develop the service contract including clear parameters for the conditions under which bonus funds would be released. As a result of these incentives, Skillsource was able to triple the number of justice or foster care involved youth in their programs while building meaningful collaboration among workforce, child welfare, and justice partners.

- **Breaking Down Silos:** An initial stakeholder map and landscape assessment revealed that if SkillSource wanted to reach more foster care and justice involved youth, it would need to establish proactive partnership and reverse referrals with the child welfare case managers serving youth involved with foster care and with probation officers working with the justice-involved youth. Creating these new partnerships required extensive discussion in order to align the work of separate agencies that were not accustomed to working together. Third Sector supported the design of a new mobile outreach team at DFS focused on working with the other agencies to enroll foster care and justice-involved youth into WIOA programs.

- **Continuous Improvement:** To continue strengthening this reverse referral process, Third Sector helped set up a referral working group which convenes on a quarterly basis to review enrollment and performance data. This collaboration allows all parties to understand the impact and success of their programming while also continuously identifying new eligible youth to enroll in the program. The working group also ensures that new staff in any of the referral agencies are regularly trained on the WIOA eligibility criteria and are able to participate in the reverse referral process.
Case Study 3:
Promoting Long-Term Economic Mobility for Young Parents Through Family-Centered Service Delivery in Massachusetts

“In our state, we are very compliance-driven, often driven by eligibility which tends to leave out opportunities for conversations around employment and work. As an agency, we shifted to thinking about people and engagement and what that looks like. As part of this shift, Third Sector supported us in shifting from a compliance-driven funding model for our employment and training programs to an outcomes-based system. This enabled us to align incentives to focus on outcomes rather than prescriptive service models.”

— Tyreese Thomas, Assistant Director of Employment Services, MA Department of Transitional Assistance (DTA)

Economic Mobility Opportunity: When the Massachusetts Department of Transitional Assistance (MA DTA) analyzed the outcomes of individuals who had received Temporary Assistance for Needy Families (TANF) in January 2018, it found that 45% of young parents receiving TANF and participating in the Young Parents Program (YPP) in Massachusetts had grown up in families that also depended on TANF. In 2019, DTA began exploring strategic policy and operational initiatives to more deliberately disrupt the intergenerational cycle of poverty experienced by clients, which has a disproportionate impact on LatinX and Black families. DTA focused on adopting a family-centered approach to catalyze economic mobility tailored to the unique strengths and challenges of the families DTA serves. For the young parent population, this included prioritizing educational attainment and long-term two-generational economic goals. MA DTA’s programs were not breaking the cycle of intergenerational poverty, especially for LatinX and Black families, who were disproportionately represented in the Massachusetts TANF population.

Outcomes-Focused Approach: To address this challenge, MA DTA worked with Third Sector to change the way it contracts for YPP, a workforce training program which serve more than 500 young parent participants annually. Through this system change effort, DTA gave providers greater flexibility in order to better serve the individual needs of each participant and had 80% of their funding tied to outcome goals such as improved educational attainment and two-generational outcomes:
Outcomes Goals: Third Sector worked with MA DTA to revise the outcome goals within its Young Parents Program (YPP) to ensure that all partners who work with young parents receiving TANF are working towards long-term, two-generational goals that support the economic mobility of program participants and their children. Outcomes goals included educational attainment as well as improved life and parenting skills.

Metrics & Measurement: To measure outcomes, MA DTA now works with providers to collect and analyze educational attainment data, including improved educational functional level, high school equivalency, English language proficiency, and certificate or college credit completion. MA DTA has also begun tracking other life and parenting outcomes such as having a stable living and housing plan and demonstrating an increased knowledge of child development.

Incentivizing Solutions: Third Sector helped MA DTA structure the outcomes contract in such a way that it would enable and incentivize YPP providers to identify each person’s strengths, barriers, and needs and to tailor services to capitalize on strengths, address barriers, and meet all needs in an individualized and human-centered way. Because most YPP participants have basic needs that must be met for them to succeed in education pursuits, the new outcomes-based funding strategy incentivizes education providers to collaborate and partner with other service organizations that can help address housing, food, childcare, physical and mental healthcare, and other basic needs. By including an upfront payment to providers upon enrollment, MA DTA also incentivizes providers to complete a comprehensive assessment of young parents’ strengths and barriers and to address (either directly or through other partner organizations) issues such as childcare before individuals are formally enrolled in education and workforce-development activities.

Continuous Improvement: To support the ongoing implementation of the outcomes-oriented contract, Third Sector strengthened data-driven feedback loops between providers and MA DTA by co-developing job descriptions to clarify roles, build implementation tools, and facilitate touchpoints at which providers and MA DTA staff reviewed outcome trends together and jointly identified strategies to better support participants.

Stakeholder Engagement: As part of the contract revision process, Third Sector worked with agency staff and providers in order to prioritize outcome goals of the new YPP contract. Once the outcomes contracts were awarded, Third Sector helped strengthen external engagement and partnership among MA DTA, YPP education providers, and providers of other support services.
Case Study 4:
Investing in Support Services for Youth Completing Workforce Development Programs in New Orleans, Louisiana

Follow-Up Government Levers Included: External Relationships, Funding, and Data

“The New Orleans Business Alliance (NOLABA) and entire New Orleans youth-serving ecosystem have benefited from Third Sector’s involvement in our city. The outcomes-based contracting model was new to our community. Third Sector assisted NOLABA with introducing this new model which helped our community focus on improving outcomes for young people by using innovative interventions while incentivizing services that make a transformative differences in individual lives.”

Economic Mobility Opportunity: In New Orleans, Louisiana, the 2014 Census revealed that nearly 7,000 youth (age 18-24) remained disconnected from work and education. Existing efforts to help these youth achieve economic mobility through workforce development and other services were not as effective as they could be. Systemic barriers around education, child welfare, and justice systems meant that a disproportionate number of these youth were Black. The New Orleans Business Alliance (NOLABA) wanted to do more to help these youth achieve economic mobility and identified a gap in how the youth with the highest barriers were supported during and after participating in workforce education and training programs.

Outcomes-Focused Approach: In 2018-2019, Third Sector worked with NOLABA to develop an outcomes-contracting strategy that would incentivize providers to deliver outcomes-focused mentoring and coaching services to youth during and after participation in workforce programs.

Outcomes Goals: Third Sector worked with NOLABA, New Orleans Workforce Development Board, and the Office of Workforce Development in the City of New Orleans to prioritize outcomes for youth aged 18-24 in Orleans Parish. These included improved job stability, living-wage remuneration, decreased involvement with the criminal justice system, and increased personal savings.

Metrics & Measurement: The outcome contract included a detailed data-validation plan with clear metrics to accompany the outcome goals and methods for routinely collecting the data and uploading it to a shared “efforts to outcomes” (ETO) case-management system. The data validation plan also called for disaggregation by race and by other demographics to track how well interventions served people with different experiences.

Incentivizing Solutions: Third Sector supported NOLABA in developing an outcomes contract by basing part of the providers’ payments on achieving the outcomes goals.

Breaking Down Silos: Through this effort, Third Sector helped facilitate a public-private partnership between NOLABA and the WIOA-funded New Orleans Workforce Development Board that created an automatic referral structure by which current and graduating WIOA youth were immediately referred to the follow-up coaching support program funded by NOLABA.
How the Outcomes-Focused Approach Can Help You

The examples from Georgia, Louisiana, Massachusetts, and Virginia all illustrate how the outcomes-focused system change approach can be used to systematically reorient government levers in support of economic mobility outcomes. To determine whether the outcomes-focused approach is relevant for a particular engagement, we encourage agencies, providers, and communities to ask themselves some critical questions.

If the answer to any of these questions is “No” or “I don’t know,” the outcomes-focused approach may be a good solution for you!

Outcomes Questions

1. Are education and training programs resulting in long-term economic mobility for all the people they serve?
2. Are there racial disparities in enrollment, service, and outcome achievement in education and training programs?
3. Are people with the highest barriers currently enrolling and succeeding in education and workforce programs?
4. Are children and young adults who grew up in poverty now more economically stable than their parents?
5. Are program graduates working in a job that pays a living wage?
6. Are participants developing skills that will serve them through an ever-changing economy?
7. Are participants able to have all of their needs met in order to succeed in education and workforce programs?

For more information on how the outcomes-focused system change approach may help you achieve economic mobility goals, please contact:

Maria Posey at mposey@thirdsectorcap.org
About Us

About the Authors:

Maria Posey is the Director of Federal Business at Third Sector. In this role she cultivates opportunities to partner with federal government agencies to advance initiatives and efforts that lead to measurable improvements in peoples’ lives. She works with colleagues and clients to leverage federal funding for new initiatives and advises Third Sector’s overall strategic goals and plans as it relates to federal engagement. Prior to Third Sector, Maria led opportunity development for various international development organizations in the areas of poverty reduction, economic growth, education, human rights, peacebuilding, and women’s empowerment. Maria holds an M.A from Uppsala University in Peace and Conflict Research and a B.A from Wellesley College in International Relations with a concentration in Political Science. Outside of Third Sector, Maria enjoys running, listening to audiobooks, and playing with her two young sons.

Miranda Beggin is a Manager at Third Sector. In this role she has worked on nine distinct projects in partnership with state and local government agencies across the country to reorient funding, data and programs to improve life outcomes for community members. Many of these projects, including two highlighted in this document with the Georgia Division of Family and Children’s Services and Massachusetts Department of Transitional Assistance, have focused on improving multi-generational economic mobility outcomes for families. Miranda holds a B.S. in Business and Political Science from Northeastern University. Outside of Third Sector, Miranda loves to run, hike, and read (preferably outside!).

About Third Sector:

Third Sector is a 501(c)(3) nonprofit organization that is transforming the way communities connect people with human services. We work with governments, service providers, and their partners to generate positive, measurable outcomes for the people they serve using public funding and data. We work alongside communities to help build a future that includes stable employment and housing, increased income, stronger families, and physical and mental health. When our work is complete, agencies entrusted to use public funds will have the systems, tools, and data to do more and do better for their communities. Since 2011, we have worked with more than 50 communities and transitioned over $1 billion in public funding to social programs that measurably improve lives. Our team of more than 50 employees works out of offices in Boston and San Francisco, and is united by our core mission to accelerate the transition to a performance-driven social sector.

Point of Contact:
Maria J. Posey | Director of Federal Business Development
mposey@thirdsectorcap.org